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THESIS

The Use of Merit Rating in Industry

by

William Ganter

(A. B. Dartmouth College 1938)

submitted in partial fulfillment of
the requirements for the degree of

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PREFACE

The national emergency which has just passed laid great emphasis on the importance of using all methods that might be of value to management in assisting each individual to become more effective in his work, and be properly appraised. A merit rating program can do a great deal toward improving the status of both supervisory and non-supervisory employees.

Unquestionably every employee of an organization is entitled to an appraisal of his personal abilities and job performance as given by his supervisors. This will afford opportunities to correct deficiencies in the employee and reward unusually good work.

When a rating is completed, each employee should be given a full explanation of his rating and such constructive criticism as may be suitable. This is a private, personal meeting between supervisor and employee.

At a period when rating programs are being used more widely, it is satisfying to see the better techniques of rating gaining acceptance. My purpose in this study has been to observe as many rating programs in use as I could, to read what has been said of this practice to date, and then report.

My information is based on a study of all available material on employee's merit rating at the Boston University, the New York University, and the New York Public Libraries. I was also permitted access to the library of the National Industrial Conference Board and that of the Policy-Holders Service Bureau of the New York Life Insurance Company. A most pleasant part of my investigation was the personal trips made to approximately twelve corporations for interviews with rating officials.

I am grateful to the many companies that freely gave me literature, instructional data, forms and opinions on their merit rating plans when asked by correspondence. Among these the following stand out:

Sears Roebuck & Company
Walter Kidde, Inc.
Namm Store, Brooklyn
Kimberly-Clark Corporation
Standard Oil Company, California

CHAPTER I

SIGNIFICANCE OF A RATING PROGRAM

Labor relations in the last ten years have been materially improved through the addition and growth of merit rating systems, a personnel practice that has been only comparatively recently put into a concrete and understandable form. United States Government Order Number 6746, dated June 21, 1934 which extends the efficiency rating system[1] to many thousand more government employees,[2] and the study by Starr and Greenly, as well as that of the National Industrial Conference Board,[3] shows that industry as well as the government is supporting some form of merit rating. The charts on the following pages are reproduced from a study by the National Industrial Conference Board. This study was probably the most exhaustive that has been made within the last five years into the extent of merit rating and the information was secured from over 2200 different companies in a wide variety of manufacturing fields.

1. Classified Act of 1933, Section 13.
2. R. B. Starr and R. J. Greenly, "Merit Rating Survey Findings", Personnel Journal XVII (1939) pp. 378-384.
3. National Industrial Conference Board, Studies in Personnel Policy No. 20, 1940.

EMPLOYEE EVALUATION, CLASSIFIED BY INDUSTRY

INDUSTRIAL GROUP	NUMBER OF COMPANIES IN SURVEY	SALARY: COMPANIES USING RATING	SALARY: % OF COMPANIES IN GROUP	HOURLY: COMPANIES USING RATING	HOURLY: % OF COMPANIES IN GROUP
Manufacturing					
Agricultural Implements	24	3	12.5	3	12.5
Automobiles, aircraft parts	104	13	12.5	30	28.8
Chemicals	128	16	12.5	24	18.8
Clothing	78	9	11.5	9	11.5
Electrical Equipment	117	9	7.7	28	23.9
Food Products	156	21	13.5	21	13.5
Iron and Steel	244	20	8.2	45	18.4
Leather and its products	64	3	4.7	2	3.1
Lumber and its products	121	6	5.0	10	8.3
Machines and machine tools	260	19	7.3	46	17.7
Metal products, other	286	23	8.0	47	16.4
Paper and its products	134	12	9.0	29	21.6
Printing & publishing	98	14	14.3	14	14.3
Rubber products	38	3	7.9	8	21.1
Stone, clay & glass	100	3	3.0	6	6.0
Textiles	169	11	6.5	24	14.2
Unclassified	92	13	14.1	14	15.2
Total	2,216	198	8.9	360	16.2

Studies in Personnel Policy No. 20, Personnel Activities in American Business, National Industrial Conference Board, 247 Park Avenue, New York City.

INDUSTRIAL GROUP	NUMBER OF COMPANIES IN SURVEY	COMPANIES USING PAETLINE	% OF COMPANIES IN GROUP	BALTIMORE COMPANIES USING PAETLINE	% OF COMPANIES IN GROUP
Manufacturing Industries					
Agricultural Implements	45	3	6.7	3	12.5
Automobiles, automobile parts	101	23	22.8	20	19.8
Chemicals	82	9	11.0	4	4.9
Clothing	117	10	8.5	8	6.8
Electrical Equipment	181	15	8.3	13	7.2
Food Products	165	20	12.1	8	4.8
Iron and Steel	114	12	10.5	4	3.5
Leather and its products	43	4	9.3	1	2.3
Lumber and its products	61	3	4.9	2	3.3
Machinery and machine tools	220	25	11.4	10	4.5
Metal products, other	284	32	11.3	15	5.3
Paper and its products	98	8	8.2	4	4.1
Printing & publishing	101	10	9.9	3	3.0
Rubber products	49	4	8.2	2	4.1
Stone, clay & glass	141	9	6.4	4	2.8
Textiles	58	4	6.9	1	1.7
Miscellaneous	61	3	4.9	2	3.3
Total	2,324	231	9.9	104	4.5

Schedules in Personnel Procedures Bulletin No. 20, Personnel Research Department, Baltimore Community Fund, 17 Park Avenue, New York City.

It is interesting to note that in the first chart, the companies in the Printing and Publishing field are the greatest users of merit rating within salary groups and that the Automobile and Aircraft Parts industry is the greatest user of merit rating among hourly rated personnel. In the second chart, "Employee Evaluation, Classified by Size of Establishment", it is interesting to note the high percentage of larger companies which use merit rating. Over 38% of the companies investigated by the National Industrial Conference Board having ten thousand or more employees, rated their salary personnel and almost to the same percentage rated their hourly personnel.

It is impossible to proceed very far into a study of merit rating without understanding job evaluation. Merit rating can be termed a periodic evaluation of an employee by his supervisor or some other qualified person, while job evaluation is the analysis of the job itself and what is required of the person who fills it. Job evaluation compares the status of a particular job with that of other jobs in the plant so that there may be adequate compensation offered, dependent on the requirements and characteristics of the job as a whole. Job evaluation puts a price on the job so that anyone who fulfills the minimum requirements gets the rate, but merit rating

determines the difference in the rate to be paid the person, based wholly on the individual capabilities.

One of the many problems facing management now that the war is over is that of layoffs and terminations. This present period is one of sharp action by the employer toward the employee due materially to strikes which stop the inflow of critical material or cancellations which cut off the employer's source of income. Companies which have given up during the war production of their peace-time products, are not prepared or cannot get the equipment needed to convert quickly to peace-time products. They have no alternative but to cut drastically all expenses while they prepare for peace-time operation. The cost of labor has proven to be a very major part in most industries of the cost of production[4] (see chart on next page) so that it is eliminated as a cost factor unhesitantly. From the charts on the following page it is safe to say that in the majority of cases the cost of labor is approximately 27% of the cost of production with exceptions quite noticeably in the Cane Sugar, Cigarette, Milk and Soap industries.

Many plants operating under seniority agreements with their local unions seek to solve their layoff problem

4. Federal Trade Commission Study, 1940, of 86 Industries and 2688 Corporations.

EMPLOYEE EVALUATION, CLASSIFIED BY SIZE OF ESTABLISHMENT*

Number of Employees	Number of Companies in Survey	SALARY Companies with Rating	SALARY % of Companies in group	HOURLY Companies with Rating	HOURLY % of Companies in group
1-99	266	11	4.1	14	5.3
100-249	595	35	5.9	42	7.1
250-999	1087	131	12.1	165	15.2
1000-4999	568	130	22.9	155	27.3
5000-9999	84	23	27.4	23	27.4
10,000 - and over	84	32	38.1	29	34.5
Not reported	16	4	25.0	3	18.8
Total	2700	366	13.6	431	16.0

*This data was extracted from a study by the Federal Trade Commission in 1940, involving 56 Industries and 2633 Corporations.

*page 20, National Industrial Conference Board, Inc., Studies in Personnel Policy No. 20, 1940.

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Not reported	16	4	25.0	3	18.8
Total	2700	366	13.6	431	16.0

*page 20, National Industrial Conference Board, Inc., Studies in Personnel Policy No. 20,1940.

OPERATING RATIOS OR CENTS PER DOLLAR OF SALES FOR 16 INDUSTRIES INCLUDING 759 CORPORATIONS

INDUSTRY	NUMBER OF COMPANIES	MATERIAL	LABOR	ADMINISTRATION
Aircraft	25	36.55	27.00	1.95
Automobile parts	64	42.58	24.01	2.63
Cane Sugar	17	77.64	5.80	1.75
Cigarettes	10	47.2	7.6	1.4
Electrical Apparatus	49	23.41	26.81	3.06
Furniture	71	40.27	24.87	4.03
Gray-Iron	217	32.99	34.31	4.88
Machine Tool Accessories	29	24.15	25.61	3.36
Machine Tools	40	22.69	28.70	3.34
Mechanical Measuring Instruments	10	23.18	25.73	6.26
Clothing-retail sales	3	40.8	28.8	5.1
Milk & milk products	122	64.06	5.10	3.34
Motor Vehicles	23	49.60	18.55	1.15
Office machines	20	9.20	22.65	5.58
Steel castings	39	27.71	33.86	3.78
Soap	20	50.35	5.97	2.30

*This data was extracted from a study by the Federal Trade Commission in 1940, involving 86 industries and 2688 Corporations.

INDUSTRY	NUMBER OF OPERATIVES	PARTICIPATION	LABOR	ABSENTEEISM
Aircraft	85	36.85	$7.00	1.85
Automobile parts	64	48.68	10.45	5.65
Chewing Gum	72	71.84	5.60	1.75
Cigar Binder	70	71.5	7.5	1.4
Cigarettes	49	83.47	24.81	4.05
Meat packing	71	40.47	14.87	1.85
Pharmaceuticals	85	82.49	24.43	4.38
Department stores	49	44.15	25.69	4.38
Drug-Item	85	88.38	26.10	3.88
Machine Tool Accessories	72	25.18	23.13	2.1
Machine Tools	10	10.8	28.8	4.38
Mechanical Measuring Instruments	7	64.08	5.10	1.15
Office Equipment	122	48.60	18.85	2.88
Oilfield-type Material	85	9.80	35.88	3.78
Milk & milk products	85	81.73	21.71	2.20
Motor Vehicle	85	80.35	25.71	3.20
Office machines				
Steel castings				
Soap				

This data was extracted from a study by the Federal Trade Commission in 1940. Involving 85 independents and 2500 Corporations.

strictly on a seniority basis, but this is not as simple a solution as it appears on the surface. Seniority encounters groups of employees having company seniority but not departmental seniority, and numerous arguments can arise as to who should be laid off.

In the case of the non-union shop where dependence is placed very heavily on the general foreman, we may find this individual so harried at a time of reconversion, or possibly biased that he is not really free or competent to make such important decisions regarding employment.

In a period of stress, the results of a rating program can serve many uses well, because the data were collected when activity was normal and according to a planned method that was orderly and systematic. If the rating was aimed at a limited number of personal qualities, such as industriousness, cooperativeness and personality, then it can supplement objective data which will be found either in the personnel office or in the various departments where an employee has worked. By objective data are meant records such as safety records, production records, attendance and punctuality reports, and any other data that has measured over a period of time an employee's attention to his work. Every company uses some type of objective data, principally

attendance records, which every foreman or time keeper keeps in a little book so as to keep pay records correct. In manufacturing plants it is common for production records to be kept showing the speed and effectiveness of employees on given jobs as compared with other employees on the same job. Also as important as the production record is the spoilage record of an employee which is definitely of value as data on quality. Combined, the objective information and the ratings will yield excellent material for an evaluation of an employee.

Although it is not common practice, there are a few companies which endeavor to make use of much available information about an employee to construct a comprehensive rating that will embrace both subjective and objective data, and the final result is supposed to be the exact standing of the individual in his department in the company.

Rating on an over-all basis is best done by a small committee rather than one individual as this will insure continuity in the rating procedures if one or several of the committee members should abruptly leave the company. One of the reasons for the lapse of a merit rating plan in organizations has been that the individual responsible for the plan, its promotion, and administration has failed to pass on, when he left the company, his

interest and enthusiasm to his successor. A committee can add a new member or two and continue on its evaluation work in spite of large-scale layoffs, transfers within the organization to other divisions, or abrupt individual terminations. It is also likely that personal bias will be reduced to a minimum by using a committee. One of the principal interests the committee will have will be to keep and develop outstanding men and to aid in their promotion within the organization.

Spreigel and Schultz in their text "Elements of Supervision"[5] support the use of ratings as follows:

> "Periodic ratings will enable a supervisor to eliminate casual impressions or prejudices which he may have. The use of ratings will tend to give the men a feeling that they are getting a square deal and that management is regularly informed about them; and furthermore, the man recognizes that the supervisor must define his opinion of them in writing and that management is interested in them in both their ratings and their accuracy in which the supervisor rates them".

This is again pointed out in Halsey's recent book "The Making and Using Industrial Service Ratings".[6] In his sixth point, Chapter One, he discusses how a service rating program aids in welding supervisors and employees closer together for a "fuller understanding

5. Spreigel and Schultz, "Elements of Supervision", John Wiley & Sons, Inc., 1942, p. 120.

6. Halsey, George D., "Making and Using Industrial Service Ratings", Harper & Brothers, 1944, p. 4.

of their part (supervisors) in making the Personnel Administration of the organization truly fair and considerate of the feelings of all". Halsey emphasizes that the keynote of the whole program of personnel management should be to achieve fairness for he feels that the major purpose of a service rating program can not be achieved unless employees feel that they are being treated fairly.

It would be impossible to review periodically the results of merit ratings intelligently without securing some definite opinions or needs of the organization as a whole. One of the needs that can be spotted is usually that of proper guidance or training. Broken down into individual cases this can mean a frank discussion with each employee upon reviewing his last two or three service ratings, and recommendation of methods or training he can use to become more valuable to the organization. The Personnel Department watching for clues showing need of training programs can respond quickly in presenting the proper guidance and courses.

As it will be pointed out in the chapter entitled "Values of Merit Rating"[7], one of the important uses of merit rating can be the recognition and early development of talented employees. This will tend to strengthen the organization by getting greater efficiency out of the

7. Thesis, Chapter III, p. 53.

better employees; at the same time encouraging everyone to contribute his best, in the hope of further recognition. This may be a stepping nearer to the field of industrial psychology and the question of incentives to employees than is deliberately intended, but it is definitely something the Personnel Department should recognize. Wages alone are not the only incentive in getting employees to use their mental and physical abilities to greater advantage.

Most authorities in discussing merit ratings consider them as a basis for one of the following actions:

1. Increases
2. Promotions
3. Transfers
4. Lay-offs

but this is an abuse of a valuable tool which can do far more than be used in those four cases only. If merit ratings are used intelligently and have been made out with care and consideration, the value they have as a morale builder will be clearly understood. Their use periodically to tell the individual employee just how he stands in the organization and to help him adjust himself, may be far more important to him than the knowledge that it will be used only for the reasons given above.

CHAPTER II

JOB EVALUATION

SECTION I--EXPLANATION

In his book "Understanding Labor" by Bernard H. Fitzpatrick, an example is given of the resentment of employees of changes in schedules that were forced upon them and it was illustrated quite pointedly that the employees did not object to their schedules being changed if they were consulted and asked to assist in the revisement. Fitzpatrick gave this little incident in support of the thesis that the basis of all sound labor relations is a recognition of the human personality of the employee and the employer, "what confirms to this norm is good, from the practical viewpoint; what traverses the dignity of the human being is bad".[1]

In support of Fitzpatrick's thesis that the recognition of the human personality is the basis of labor relations, it is but one step more to discover that the two foremost purposes of wage administration are:

1. Fair treatment of every employee with regard to his compensation and,
2. a control of costs.[2]

1. Bernard H. Fitzpatrick, "Understanding Labor", McGraw Hill Book Company, 1945, p. 4.
2. Benge, Burk & Hay, "Manual of Job Evaluation", Harper & Bros., 1941, p. 4.

In order to do a thorough job of treating fairly every employee, it is necessary to know what every job is and what it expects of the employee.

From a practical cost standpoint, this is important alone as a means of controlling a very large part of the expense of manufacturing or operating.

Job evaluation is a means of determining the relative worth of a given type of work by analyzing and weighing the elements which make up the job. Job evaluation is an attempt to use factual data to arrive at a proper value for a specific operation. Through analysis, the aim is to correct inconsistencies in the setting of real rates and salaries and to place them on a systematic basis so that the organization will have definite guides in aligning its rates with those paid by other companies in obtaining labor in the same labor market. The analysis of the job is comprised of three elements,[3] "description of the nature of the job, appraisal of its relative importance and difficulties and setting for the job an appropriate rate or rate range". The entire importance of an analysis of a job, is therefore, on the work performed and in the individual to whom the work is assigned. Such job analyses can be

3. Balderston, C. Canby, "Wage Setting Based on Job Analysis and Evaluation", New York, 1940, p. 4.

applied for rate determination to hourly as well as salary groups up to a certain supervisory level. The method of determining executive salaries is a different procedure.

One of the values of job analysis is that the description of the job gives the employment manager excellent specifications for hiring new employees as well as aiding in the transfer of employees in the company for those who can fill the requirements of the job. It furthermore outlines the duties and responsibilities of each job in keeping with likely promotional steps that can be made for competent employees.

Job analysis should be considered not as an end in itself, but as one step in modern personnel administration. Such a factor as skill and technique, or responsibility involved, cannot easily be measured precisely. Therefore, job analysis should not be considered a precise method of measurement. The purposes of a job evaluation program may also include the establishing of a necessary training program not only to acquaint supervision with the various jobs in the organization, but also to educate the employees in a better understanding for them of the work available for them and the particular way to higher rated jobs. In the job evaluation form used by Sylvania Electric

Products[4] which is discussed with the employee, there is a section entitled "Possible Promotion" and gives to the employee the possible steps he may take from this particular job which he is now doing to a job of higher rate and skill. In the Federal Government form 2991[5] used by the United States Employment Service entitled "Job Analysis Schedule" there is a section entitled "Relation to other Jobs" in which is listed the jobs from which an employee can be promoted from his job to higher jobs to which he can aspire if he satisfactorily fills his present job. Thus a definite and clearly presented outline is offered each employee concerning his present station in the company.

Many organizations which do not possess unions find a job evaluation program valuable to them solely for its assistance to a successful time and motion study program which will materially improve manufacturing operations. In this respect, it is possible to understand thoroughly every job which possibly has not been placed under a time study program, but which when fully revealed through the exhaustive analysis made on

4. Job Evaluation Form S-115, Sylvania Electric Products Incorporated, Salem Lamp Plant, 1944, p. 108.

5. Job Analysis Schedule, United States Employment Service, Revised Form, 1945.

an evaluation form can have applied to it some type of a wage incentive plan. Job rating in itself should not be confused as establishing rates, for this goes beyond a time and motion study department's scope, especially in organizations where there is proper and alert union representation. Job rating sets up the relationships between jobs so that the proper management or union representatives may base their wage differentials[6] arranging all positions into a series of grades in accordance with their relative difficulties, responsibilities and working conditions. To approach the theory of job rating solely from the angle of rate payment is to approach it at the incorrect end for job rating should emerge from the time study and wage incentive engineers as a descriptive analysis and should then be applied to wage payments.

In an industrial area that is employing a job evaluation program in its various plants and is using this information among themselves to get an accurate standardization of job requirements, the plants are very likely to take progressive action in properly setting wage levels for similar types of work. It has been discovered that within the same general area

6. Benge, Burk & Hay, "Manual of Job Evaluation", Harper & Bros., 1941, p. 4.

variations in wages between jobs that are essentially the same have varied as much as from 50% to 75%.[7] I have found in one medium-sized company of about 15,000 employees[8] job wage differentials ranging up to 12%. This does not apply to cost-of-living differentials which are expressly permitted in this organization in its plants which are located in a large metropolitan area and for which they permit approximately a 20% increase in their normal job rates.

Rate structures will always be subject to change, particularly since they are vulnerable and because of union action an organization may find it necessary to revise rate structures that are not in keeping with wage descriptions, particularly with decentralized corporations whose plants are scattered throughout the country. This may be due to management's sincere effort to keep a plant operating regardless of discrepancies in the rate structure. By and large, an organization seeks to have a uniform rate structure, company-wide, in its efforts to avoid discrimination for or against any particular area, but union pressure can force this policy to be altered. A company that has suddenly become par-

7. Rogers, H. Barrett, "What is your Job Worth?", Proceedings of the Wage Conference, Industrial Management Society, 1939, p. 13.

8. Sylvania Electric Products Incorporated, Pennsylvania and New England Plants, 1944.

7. Rogers, E. Barrett, "What is your Job worth",
Proceedings of the Wage Conference, Industrial
Management Society, 1959, p. 13.

8. Sylvania Electric Products Incorporated, Pennsylvania
and New England Plants, 1964.

tially unionized may find it necessary to increase wages in its unionized plants in order to keep operating. The union contract may call for a different wage scale than that which is in the other plants.

SECTION II--JOB EVALUATION FACTORS

Just as it is difficult, and likely to be in some cases impossible, for a business executive to solve a large and complex problem as a whole, so also do job evaluation engineers find it necessary to break down individual jobs into what is commonly called "components" and by studying each component obtain satisfactory results in a step by step procedure. As each is successfully developed, it is possible to see the whole problem emerge into the light. In many of the new types of industries which have developed recently, such as plastics, high-speed die cutting, electronics and prefabrication, many new and unfamiliar types of work have arisen. An engineer would need an extremely wide background and experience in order to measure various jobs and evaluate them properly if he was to approach it from an angle other than that of minute job components. In each job it is necessary, after the factors and their relative weights have been determined, to find out how much of each factor is contained therein.

I should like to recommend the use of the following ten factors in an approach to a job evaluation program. These ten factors are a synthesis of the job evaluation plans now in use at the General Electric Company, Westinghouse Electric Mfg. Company and Sears, Roebuck & Company.

1. BASE FACTOR
2. RESPONSIBILITY
   - (a) Safety of Others
   - (b) Supervision of Others
   - (c) Cost of Error
   - (d) Care of Equipment
3. SKILL, ACCURACY, DEXTERITY
4. PRACTICAL KNOWLEDGE
5. EXPERIENCE AND TRAINING
6. MENTAL ACTIVITY
   - (a) Effort
   - (b) Concentration
7. WORKING CONDITIONS
   - (a) Hazard
   - (b) Surroundings
   - (c) Connected Expense
8. PHYSICAL REQUIREMENTS
   - (a) Effort
   - (b) Eye Strain

I should like to recommend the use of the following ten factors in an application to a job evaluation program. These ten factors are a synthesis of the job evaluation plans now in use at the General Electric Company, Westinghouse Electric Mfg. Company and Sears, Roebuck & Company.

9. FATIGUE

10. JOB FACTOR

1. BASE FACTOR

The base factor is a fixed number of points allowed to each job regardless of value, and that allowance is made because of certain fixed attributes common to all jobs, such as:

(a) The employee's acceptance of company rules and regulations.

(b) Good health, and physical fitness to do the job.

(c) Willingness to coordinate with other jobs, to be a team member.

(d) Willingness to work scheduled working hours and to be present at all times during these hours.

2. RESPONSIBILITY

Responsibility is the obligation or liability of a job as outlined by management or as suggested by the nature of the job. Such factors as

(A) injury

(B) directing the performance of other jobs

(C) reducing or preventing the waste or spoilage of a product

(D) eliminating wear to company equipment

would all come under this factor. The four sub-factors of these would be, therefore:

2A. Safety of others, this is the exercise of care to reduce and eliminate injury to fellow employees

and concerns itself with accidents only that can be attributed to negligence on this particular job. Any accident that is not due to negligence of the worker should not be considered, and valuable supporting data for this factor may be found in studying an employee's safety record.

2B. Supervision of others is the responsibility for planning and directing the work of other jobs. This factor is not to be confused with cooperation, as jobs that require cooperation between employees in order to be completed frequently do not involve supervision, but the points here are the type of supervision needed, and number and kind of jobs to be supervised, and the value of the materials to be worked on.

2C. Cost of error is the responsibility for the prevention of damage to product and other materials, and involves the kind of work being done, the amount of attention required to prevent damage, and the likely value of an error. Here is a situation where negligence can be costly.

2D. Care of equipment is the responsibility for prevention of damage to tools and equipment and is measured by the amount of attention required to avoid damage, the possible number of people who would be delayed by damage, the time required to repair the

and concerns itself with accidents only when can be attributed to negligence on this particular job. Any accident that is not due to negligence of the worker should not be considered, and valuable supporting data for this factor may be found in studying an employee's safety record.

EB. Supervision of others is the responsibility for planning and directing the work of other jobs. This factor is not to be confused with cooperation, as jobs that require cooperation between employees in order to be completed frequently do not involve supervision, but the points here are the type of supervision needed, and number and kind of jobs to be supervised, and the value of the materials to be worked on.

EC. Cost of error is the responsibility for the prevention of damage to product and other materials, and involves the kind of work being done, the amount of attention required to prevent damage, and the likely value of an error. Here is a situation where negligence can be costly.

ED. Care of equipment is the responsibility for prevention of damage to tools and equipment and is measured by the amount of attention required to avoid damage, the possible number of people who would be delayed by damage, the time required to repair the

equipment, and the cost of such repair. This factor should be kept distinct from cost of reproducing spoiled material which came under sub-factor 2C, cost of error.

3. SKILL, ACCURACY AND DEXTERITY

We are concerned here with mental and manual skills, the accuracy in performing the job, and the dexterity in coordination of the senses. In mental skill we are concerned with the use of judgment in planning and doing the work, such as a research engineer or a physicist would have to use in a laboratory. Manual skill is the ability to use the particular hand tools and instruments required to do the job which in the case of a glass blower or other highly skilled trades can be exceedingly delicate and costly.

4. PRACTICAL KNOWLEDGE

Practical knowledge can be boiled down to useful information an individual might possess from his background or formal education combined with hard and possibly his slowly acquired experience. It is not, however, a factor that is based entirely on educational qualifications. As, for instance, a sea captain might have vast practical knowledge of ship operation based on his many years at sea and the handling of ship personnel, but his formal education could be quite limited.

equipment, and the cost of such repair. This factor should be kept distinct from cost of reprocessing spoiled material which comes under sub-factor 20, cost of error.

3. SKILL, ADROITNESS AND DEXTERITY

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5. EXPERIENCE AND TRAINING

Experience and training are the development of knowledge, skill and technique. Experience is the practical preparation required and includes essential experience developed in previous positions. Training comes from learning the duties, methods, incentives, and results for a particular job. Here in this factor we are concerned with the length of time necessary to acquire sufficient experience and to be capable in the performance of the duties of the job. In Kirby's article "A Job Evaluation Plan That Works" he discusses the use of psychological tests when assigning weights for his factor entitled "Educational and Formal Training Requirements".[9] Psychological measuring devices are not perfect, but trained persons can obtain more dependable information from the more valid and reliable instruments now available than is possible from purely subjective evaluation of data.

6. MENTAL ACTIVITY

Mental activity is the use of the mental faculties and can be divided into two specific types of activity. The first involves thinking, such as mental skill and knowledge to arrive at decisions and exercise judgment.

9. Kirby, William J., "A Job Evaluation Plan That Works" Personnel, AMA, May, 1944, p. 350.

The second is the mental coordination required to control physical movements and to coordinate the thinking processes that can be shown in such work as hand engraving or experimental machine work.

6A. Mental effort. Mental effort is using the factor of judgment, employing to the fullest the use of mental skill and knowledge based on the type of work, and the complexity of the details, the speed to which the thinking must take place, and the amount of the working day when such thinking is required.

6B. Concentration. Concentration is attention and requires using the mind to control physical action and to discipline mental processes. Here again must be considered the accuracy of the physical actions and complexity required of the thought processes, the degree of concentration, and the amount of the working day in which such concentration must be applied.

7. WORKING CONDITIONS

Working conditions can be subdivided into three factors. The first is hazard.

7A. Hazard is potential injury to which the worker on the job is exposed, and in this particular case a safety record may or may not be helpful in that a worker could have an excellent safety record but the possibility of injuries may always be with him, as in the case of steeple-jacks or firemen.

7B. Surroundings. Surroundings is the work area environment and includes temperature, cleanliness, atmosphere, and noise. It is very likely the policy of every company to make a job as pleasant as possible, but some jobs can't help being poorly located, such as plumbing repair work or the mining of coal or foundry work.

7C. Connected Expense. Connected expense is expense to the worker in fulfillment of his job which is more than that required of other workers. In some types of work, such as experimental machinists or tool makers, the workers are expected to own their own tools and some types of work require special clothing to be worn which causes extra expense on the part of the employee.

8. PHYSICAL REQUIREMENTS

8A. Physical Effort. Physical effort is muscular activity. It is the use of the body in performance of a job and can be divided into three parts: the type of work, the speed of the work of the physical motions involved, and the percentage of the working day where such effort is required. A good example in this case would be that of a lumber jack or a ditch digger as compared with the very minimum physical efforts required of an elevator operator in a modern office building.

8B. Eye Strain. Eye strain is visual activity.

The use of the eyes in the daily performance of the job should be considered, such as the type of effort required, the size of the work and under what conditions the employee is expected to do his work, the speed with which he must use his eyes, and the amount of time each day such visual effort is necessary.

9. FATIGUE

Fatigue is physical and mental tiredness that should be expected in the performance of daily work and depends on factors previously mentioned, such as mental effort, eye strain, physical effort, concentration required, and environment or surroundings.

10. JOB FACTOR

Job factor is a particularly peculiar allowance in that it is added on because of the increased difficulty imposed when a number of factors are combined. This particular factor is given an increased rating as the total of the point allowances grow for the other factors in the evaluation program. An illustration of this particular factor in action may be in that of a research engineer who has a number of degrees to his credit and has received various assignments, each of which has been increasingly difficult and he is expected to utilize all his past knowledge each time he is assigned a new problem.

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SUMMARY:

I do not agree with a later section of Kirby's paper when he warns on the use of tests by saying that

> "most psychologists, who have undergone the usual psychological training offered by most colleges, are not qualified for vocational test interpretation and evaluation".[10]

Such excellent strides have been made in vocational test data that I do not believe this opinion is wholly warranted. I do feel, however, that the use of such tests should be considered only as a tool towards securing an end.

Point rating plans are based on the belief that differences in details between systems will be common but that points given to particular factors in evaluating different jobs will yield a total point value which will indicate relative significance of the jobs being rated. The validity of the Point Rating plans depends almost wholly on the points assigned to the individual characteristics which are determined as a requirement of the job. An advantage of this system is that it demands exacting job analyses and job descriptions in keeping with the scientific or mathematical method of evaluation.

In the list of factors which I recommend using in a job evaluation program I have exceeded the number commonly used by several of our large corporations, such

10. Kirby, William J., "A Job Evaluation Plan That Works", Personnel, AMA, May, 1944, p. 350.

as the General Electric Company,[11] which uses six, and Westinghouse Company[12] which uses nine. This is an arbitrary figure subject to change at will, as evidenced by the authority Eugene J. Benge who says, "The number of factors on which job judgment should be based should not exceed seven",[13] and then in his later book lists only five, as follows:

Critical Factors

1. mental requirements
2. skill requirements
3. physical requirements
4. responsibility
5. working conditions[14]

The other general type of rating is known as the Ranking or Grading System which consists of ranking every job within the plant according to its requirements from the simplest to the most difficult. This system also requires accurate job analyses and job descriptions in its preparatory stages. The primary advantage of

11. General Electric Company, Job Evaluation Department, Schenectady, N.Y.

12. Westinghouse Electric & Manufacturing Company, Pittsburgh, Pa., Department of Industrial Engineering.

13. Benge, Eugene J., Occupational Rating Plan, Industrial Management Society, 1937, p. 2.

14. Benge, Burke & Hay, "Manual of Job Evaluation", Harper Brothers, 1941, p. 99.

this system is its simplicity and its understandableness by the worker and first line supervision such as assistant foremen. It does not have complexity or the mathematical mechanics that the point system has and therefore does not seem as confusing to a new employee. It also is an easier system to install than the point system and accordingly may be of less cost to the company which sponsors it. However, these advantages are offset somewhat because the system does not differentiate closely in the width between one job and the next job so that wage differences may arise readily. There is also a tendency for rankings to be made without close attention being given to the factors which cause the jobs to be different which leads to another criticism that it is "relatively easy to compare similar jobs, but it is difficult to compare unlike jobs".[15] Kimberly Clark has used a ranking system with considerable success, although they have recently been meeting with union opposition.[16]

To start in a plant and evaluate every job carefully is at the outset a sizeable program, but when once

15. Scott, Clothier, Mathewson and Spriegel, Personnel Management, Third Edition, McGraw Hill Book Company, 1941, page 242.

16. Kimberly-Clark Corporation, Manufacturers of Paper and Cellulose Products, Neenah, Wisconsin, letter written by J. C. Simonich, Acting Director, Industrial Relations Department.

completed it is not difficult to keep in proper condition and can have tremendous value in aiding the time and motion study departments, the personnel department, top management, and the union stewards in keeping the wheels of work in motion.

This information is not confidential information but should be used to acquaint workers with the relative merits of various jobs and keep the lines open for promotions and transfers within the company. It may be posted publicly or kept in an accessible place for employee reference.

PROPOSED DRAFT

MERIT RATING REPORT
Sylvania Electric Products Inc.

Name_____

No._____ Job Class____ Tot.Pts.____

Dept._____ Job Name_____

Rated by_____ Date_____

Approved by_____ Date_____

This space reserved for machine entry of employee name, or other information.

WHAT HAS BEEN DONE?	☐ ☐	☐ ☐	☐ ☐	☐ ☐
Quality of Work This factor rates the employee's performance in meeting established quality standards.	Consistently does an excellent job. Rejects and errors are very rare.	Usually does a good job. Seldom makes errors.	Work usually passable. Sometimes must be told to do a better job.	Work only gets by. Often makes mistakes.
Quantity of Work This factor rates the employee's output of satisfactory work.	☐ ☐ Is slow. Output frequently below required amount.	☐ ☐ Turns out required amount of work but seldom more.	☐ ☐ Usually does more than is expected. Is fast.	☐ ☐ Output unusually high. Is exceptionally fast.
Housekeeping and Safety Rates orderliness of work area, effective application of housekeeping and safety rules.	☐ ☐ Outstanding and continuous orderliness and observance of safety habits.	☐ ☐ Usually shows very good observance of orderliness & safety habits.	☐ ☐ Requires occasional prompting.	☐ ☐ Frequent check necessary to maintain orderliness & safety.
WHAT CAN BE DONE?	☐ ☐	☐ ☐	☐ ☐	☐ ☐
Adaptability This factor rates employee's ability to meet changed conditions and the ease with which new duties are learned.	Is slow to learn. Requires repeated instructions. Has great difficulty in adjusting self to conditions.	Routine worker. Requires detailed instructions on new duties and methods.	Adjusts self to new conditions with little difficulty. Grasps new type work if given little time.	Learns new duties and meets changed conditions very quickly and easily.
Job Knowledge This factor rates how well the employee knows the job.	☐ ☐ Expert on job. Makes most of knowledge and experience. Almost never requires instruction.	☐ ☐ Is well informed on job and related work. Rarely needs instruction.	☐ ☐ Knows job fairly well. Requires normal supervision & instruction.	☐ ☐ Knowledge of job is limited. Requires close supervision.

CAN YOU RELY ON EMPLOYEE?	☐ ☐	☐ ☐	☐ ☐	☐ ☐
Dependability This factor rates your confidence in the employee to carry out all instructions conscientiously.	Requires frequent follow up, even on routine duties.	Generally follow instructions but occasionally needs following up.	Follows instructions and does what is expected to be done with little follow-up.	When employee is given a job to do, have you the utmost confidence that he will get done what you want when you want it?
Cooperation This factor rates the employee's openmindedness, and his willingness to cooperate.	☐ ☐ Is exceptionally good team worker. Invariably goes out of the way to cooperate.	☐ ☐ Meets others half way and goes out of the way to cooperate.	☐ ☐ Usually cooperates but with occasional reluctance.	☐ ☐ Cooperates only when necessary. Rather hard to get along with.
Application to Work Rates promptness, attendance, and attention to the needs of the job.	☐ ☐ Always on the job. Very industrious.	☐ ☐ Generally on the job and on time. Good application.	☐ ☐ Occasional tardiness. Absent more than normal or loses time on job.	☐ ☐ Attention to job, or attendance poor.

COMMENTS:

1. In your opinion, is this employee performing the task best suited to his ability? If not, what sort of work do you recommend?

_____

_____

_____

2. What are his especially desirable good traits?

_____

_____

3. Along what lines do you feel that improvement could be made?

_____

_____

4. Is employee doing anything to improve himself?

_____

_____

5. Write here any additional comments, good or bad, which you feel have not been covered?

_____

_____

6. Length of Continuous Service

_____

S-115

SYLVANIA ELECTRIC PRODUCTS INC.

Job Evaluation

PLANT Salem Lamp JOB NO. 5 - 24.1

JOB TITLE Floor Girl

DEPARTMENT Special Lamp (Special Stem) DATE 12/8/43 EVALUATION 234 CLASS

PRIMARY FUNCTION:

Floor Girl
Supply operators with material as required.

OTHER FUNCTIONS: None

REPORTS TO: Monitor

TOOLS OR EQUIPMENT USED

Buggies, gloves, trays

JOB DESCRIPTION

1. Supply operators with material as required.
2. Remove empty cartons and deliver to elevator.
3. Loads hoppers of automatic machines.

INDIVIDUAL QUALIFICATIONS		EDUCATION								
Male	Female x	Grade x	High	Tech.	Univ.	Clean x	Dust	Inside x	Bench	Light x
Weight	No Factor x	Special				Dirty	Hot	Outside	Mach	Medium
Weight Light	Med	No Factor x	Prior Exp. Reqd			Greasy	Cold	Sit	Floor x	Heavy
Eyesight	Normal					Fumes	Wet	Stand x	Noise	
Dexterity	Normal					Acid	Dark	Stoop x		
Special		Possible Promotion	Bench Operator			DESCRIBED BY H. Maguire				
						RATED BY H. Maguire R. Estella S.G.				
						INTERVIEWED C. Towner; M. Conway O.K. BY				

DATES	COMMENTS

CHAPTER III

VALUES OF MERIT RATING

If you should ask an employee of a company that has a merit rating program in effect, what are the values of such a program, he is very likely to say it is a good periodic check-up. If, however, you should ask him what he dislikes about the program, he probably will freely tell you of its shortcomings, omitting nothing. This is because an employee just instinctively seems to look at the various personnel practices in use with skepticism and misgivings, half fearful of what may happen to him or his job because of these practices, and yet hopeful that he will be benefited by their good intentions.

Merit rating has a distinct value as a tool useful in the rating of employees, systematically and unemotionally. It is an improvement on the practice, long in use, of rating employees haphazardly or when called for unexpectedly, possibly under adverse conditions. Such a situation might occur when an unexpected opening arises and the general foreman calls on the shop foreman to give him the name of a man best suited for this new job. Under the pressure of giving a name quickly, the shop foreman may easily be influenced by some recent action on the part of one employee and

discount the long experience of other employees who have been consistently doing their work well and are expectant of promotion. In fairness to employees for consideration at a time when opportunities may appear suddenly, some measure should be used with which they are familiar and is easily interpreted in giving them consideration for advancement.

Rating is not new, but very old and much abused. It has always been done by supervisors, but with a very wide range of success and thoroughness. Benjamin Franklin in his Autobiography[1] laid stress on a plan of self-education by a rating sheet to guide his efforts to

improve
check, and
compare his progress.

Franklin got his idea from Pythagoras, the Greek philosopher who was born in B.C. 582 and died in 507, 2213 years before Franklin was born in 1706.

Every foreman feels that he is prepared to render an opinion, whenever asked by his superior, on any man under his control, and the appraisal that he gives is just and correct, taking into consideration all the factors the man should be judged by, and extending over

1. Franklin, Benjamin, "Life of Benjamin Franklin", Chapter VI, Moral Schemes and Rules, p. 137, New York, James C. Derby, 119 Nassau St., 1855

discount the long experience of older employees who have been consistently doing their work well and are expectant of promotion. In fairness to employees for consideration at a time when opportunities may appear suddenly, some measure should be used with which they are familiar and is easily interpreted in giving them consideration for advancement.

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1. Franklin, Benjamin, "Life of Benjamin Franklin", Chapter VI. Moral Schemes and Rules. p. 137. New York, James O. Derby. 119 Nassau St., 1856

the entire period of time the man has been in his employ. If such an opinion is drawn out of the memory of the foreman at a moment's notice, it would be remarkable and ideal. Men do not have the capabilities, however, to permit them to rely entirely on their memory and be able to do an honest and accurate appraisal. This technique is an attempt to improve an age-old custom, that has outgrown the period when an employer had only a small number of employees, and knew them all well. Merit rating makes a deliberate attempt to present to supervisors concrete and substantial evidence of the record of an employee over a period of time, and the data thus available are known to both the foreman and employee so that there is no indecision on the employee's part as to where he "stands" in the mind of his foreman. Thus, of an employee has received a favorable rating over a period of time, he can naturally expect to be considered for promotion, and if his record has not been good, he can expect little consideration when an opening does occur.

The following values are discussed separately:

1. UNIFORM METHOD OF EXPRESSING OPINION
2. IMPROVES JOB PERFORMANCE
3. PREVENTS GRIEVANCES
4. DEVELOPS SUPERVISORS
5. GAUGE OF EMPLOYEES' PROGRESS
6. TRAINING DEPARTMENT AID

7. AID IN PLACEMENT AND TRANSFER

8. PREVENTS A "FORGOTTEN MAN"

9. STIMULATES MORALE

10. DISCOVERS AND PROMOTES TALENT

11. AIDS PROPER SELECTION OF NEW EMPLOYEES

12. CREATES GREATER EMPLOYMENT SECURITY THROUGH THE INFLUENCE WHICH HIGH STANDARDS OF SELECTION, DEVELOPMENT, RATING AND PLACEMENT OF PERSONNEL EXERT ON COMPANY STABILITY

13. ASSISTS IN USE OF PERSONNEL TESTING PROGRAMS AS VALIDATION DATA

1. A UNIFORM METHOD OF EXPRESSING OPINIONS

Whether we acknowledge it or not, it is true that men are constantly observing one another, and building up estimates, cumulatively, so that when they are asked for an opinion they have something to say. The danger here is that all too frequently we use generalities, which unfortunately can mean quite different opinions to different individuals. If I should way, "John Doe is a good man" to my superior, he doesn't know exactly what I mean by a "good man". A good man in my eyes might be only mediocre in the eyes of my superior, who may possibly be a very severe critic of his fellow-men.

Through the use of a merit rating form, we attempt to judge through expressed opinion, certain obvious personal qualities, which do not easily lend themselves to objective measurement. I am thinking of qualities such as dependability, wherein we consider the manner

7. AID IN PLACEMENT AND TRANSFER

8. PREVENTS A "FORGOTTEN MAN"

9. STIMULATES MORALE

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in which a man applies himself to his work and if he does his job on time under little or no supervision; knowledge, wherein we consider how much understanding he has of his job and materials, tools, and methods which are involved in his work, also the extent of experience and training he has had. The quality called judgment or common sense is extremely important because it deals with an employees' decisions when he does not have elaborate instructions and he has to make a decision in an emergency situation. The leadership and supervisory ability of a man is important if he has an opportunity to express it, for he may well be a man destined to rise in the organization, and his ability to get work done without friction is extremely important. A man's personality is a quality which should be carefully considered, especially over a period of time and not just from a first impression. An employee's initiative or creativeness is a quality that should be marked and evaluated, as men with original thinking, who show they can discover new ways to do work, have a definite talent which should be recognized. The ability of an individual to cooperate is important. His attitude toward his work, his company, and his associates has considerable weight in evaluating his worth for promotion.

Objective measurements are very definite, and

can be readily produced which will show past achievements, such as a perfect attendance record over a five year period, or an outstandingly good productive record or excellent quality, or a safety record with no accidents. Every organization keeps records of this type[2] in its files which can be used for a comprehensive rating at any time. Unless some type of subjective rating has been taken in the past, the appraisal of the employee might well be one-sided, and be left entirely to his present supervisor, who may be only recently placed on supervisory level, and therefore, be entirely inadequately prepared to comment on the employee's personal characteristics.

When an organization has been for some time systematically rating its employees, there is a definite accumulation of material available which can be coordinated and presented as an over-all appraisal of the employee. Specific analysis such as this is what is desired, for it is a definite measure applied against the personal qualities of an individual over a period of time.

By no means do I assume that a merit rating form will remain unchanged over a period of time, but changes in layout or methods no matter how great, will never

2. Sample forms of Sylvania Electric Products, Inc., of effort and attendance.(see following page)

SILLS 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55

S21 SYLVANIA ELECTRIC PRODUCTS INC.

EMPLOYEE ATTENDANCE RECORD

NME SOC. SEC. NO.

	19 J F M A M J J A S O N D				19 J F M A M J J A S O N D				19 J F M A M J J A S O N D				19 J F M A M J J A S O N D			
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TUE					TUE				TUE				TUE			
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MON					MON				MON				MON			
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FRI					FRI				FRI				FRI			
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SAT					5AT				5AT				5AT			
TOTAL					TOTAL				TOTAL				TOTAL			

SYLVANIA ELECTRIC PRODUCTS INC.

EMPLOYEE RATE RECORD

AME SOC. SEC. NO. POINT RATING KP 21864C

ACTION	DATE	DEPT.	FOREMAN	JOB TITLE	CLASS	RATE	% STD.	PROD.	QUAL.	ATT'N	TOTAL	GRADE	APPRV'D

ILLS | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55

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SYLVANIA ELECTRIC PRODUCTS INC. — EMPLOYEE ATTENDANCE RECORD

ME

SOC. SEC. NO.

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SYLVANIA ELECTRIC PRODUCTS INC. — EMPLOYEE RATE RECORD

AME

SOC. SEC. NO.

KP 21864C

ACTION	DATE	DEPT.	FOREMAN	JOB TITLE	CLASS	RATE	POINT RATING: % STD.	PROD.	QUAL.	ATT'N	TOTAL	GRADE	APPRV'D

alter the opinion of the rater with regard to personality or industriousness, which will be briefly explained on the form, and allowance made for checking off one of five opinions of the individual's personality. For instance, in the John B. Stetson Company's merit rating form,[3] cooperation ranged from "Goes out of his way to assist others", to "Won't or can't work with others". Now the Stetson Report only gives four break-downs, which roughly could be termed excellent, good, fair, or poor, whereas the Metropolitan Life Insurance Company of New York[4] makes a five-way break-down which can be split up even more precisely, if the need arises. The Kimberly-Clark Employee Check List[5] is intended to give supervisors an over-all objective picture of the status or trend in regard to caliber of an employee and to help determine the need for training or correcting employees. In their analysis they use nine separate distinctions ranging from "exceptionally good" down to "exceptionally poor". An interesting point in the Kimberly-Clark Check List is the attempt made by the company to determine what were important comments in the eyes of the supervisors and

3. John B. Stetson Company, Merit Rating Form, 1945

4. Metropolitan Life Insurance Company, Employee Rating Records, p. 35, Form 2, 1944

5. Kimberly-Clark Corporation, Neenah, Wis., Employees Check List, 1945

5. John B. Stetson Company, Merit Rating Form, 1948

4. Metropolitan Life Insurance Company, Employee Rating Records, p. 85, Form R, 1944

5. Kimberly-Clark Corporation, Neenah, Wis., Employee Check List, 1945

what were not important. They presented a list of 237 statements to the supervisors for use in grading employees, and the supervisors selected 88 of them as being satisfactory for commenting on an employee. These statements appeared in mixed order, favorable statements being mixed with unfavorable. It is important to remember that when comparing scores of different persons it is possible for a janitor to have a higher score than an executive, and that would mean that the janitor is a better janitor than the executive is an executive.

In the department store field, the Namm Store of Brooklyn, New York reviews semi-annually its personnel of approximately 1500 people with regard to each individual's ability, his production, and his general value to his department in the company. The Namm Store supports the rating program not alone because it has assisted in promotions and transfers, but because it has also been of value in determining wage rates.[6] On their merit rating form they use a four-way break-down in evaluating the qualities such as

1. job skill
2. fashion consciousness
3. originality
4. use of time
5. handling of merchandise
6. appearance.

6. Namm Store, Brooklyn, New York, 1945.

I do not think it necessary to have a seven or eight-way break-down as a five-way is usually sufficient when the reviewer attempts to weight certain factors. If a rater can't make up his mind in appraising an individual by placing him in one of four or five categories, I don't think he knows the person well enough, or he is too indecisive and can't make up his mind.

The most important point here is that the rating forms will, by and large, give a uniform answer about a person's qualities, for if two raters of varying opinion use the same rating form, experience has shown that they will agree in the various interpretations on some one factor. This, of course, is dependent on a suitable explanation being provided on the form, and the raters being instructed to adhere to the information supplied.

2. IMPROVES THE PERFORMANCE

With a steady, periodic evaluation system in use, an employee is more conscious of his development with a company, and can feel the need for constantly measuring his present performance with his past performance. Under present wage payment plans, it is customary at fixed intervals to grant increases to employees. Increasingly, organizations are finding it expedient and reliable to review the merit rating forms before passing on the increases.

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It is extremely important that the timing of merit rating reviews does not coincide with wage increases because if they are always done at the same time, the full value of a merit rating plan will not be achieved. An employee will think if the merit rating reviews and the wage increases occur at the same time that the rating review was conducted solely for the purpose of determining whether he should be granted an increase, whereas the rating review has more to do than just to pass on opinion on a man's suitability for an increase. The proper time to hold a rating review is at least three to six weeks before a wage review, and by "wage review" I mean the action of a rate committee which usually consists of the individual's immediate superior, the personnel department representative and a representative of top management. I want to emphasize that I do not advocate timing merit rating reviews with wage increases, because they will unfortunately be thought of as going together, and this should not be so. The rating form is only an aid to the consideration that should be given on increases.

As a person gets accustomed to the routine work of his job and the newness has disappeared, he is likely to grow careless in his regard to this new position and feel that it is his job, subject to good behavior and fulfilment of requirements. He loses sight of his ob-

jectives and unconsciously his ambition becomes clouded to such an extent that he may in time grow careless and indifferent about his work and suddenly find himself released from his employment. Through periodic evaluation, he would be apprised of his failings and be able to correct himself in sufficient time.

One of the outstanding personnel practices that will come out of Selective Service and the training that millions of Americans received while in the Armed Services, is the periodic reviewing of servicemen and women regarding their elevation to a higher rank. This does not apply only to officer personnel, but enlisted ranks as well, and many thousands of people have been educated to feel that if they do a good job, as compared with the next fellow, that is, on a man-to-man basis, they are entitled to go forward in rank and income. I think that the method in which the Army and Navy has approached promotions will do a great deal towards influenging the thinking of our working population in the next ten to twenty years. The serviceman has become accustomed to periodic evaluation and has seen many of his associates and possibly himself go forward rapidly because of preparedness at a time of expansion. It may well have been possible that in civilian life, due to the discouraging years prior to the war, from 1931 to 1938, opportunities were quite limited, and through no fault of his own, he was unable

to advance in his civilian position due to the lack of opportunities in his company. From his position in industry, which might have been discouragingly weak in potential growth, he was suddenly taken into a rapidly expanding Army or Navy which was begging for men of growth and potentiality. Most servicemen found at least some advancement without too much delay and coming on a somewhat fixed schedule or faster, and in the case of those who were passed by, the reasons for their failure to advance have, by and large, been quite obvious to themselves and their fellow servicemen.

To look at this from Management's angle, is to see this in the light of shrewd business, for through periodic evaluation, management effectively demonstrated that it is interested in having employees do their work in the best possible way. A properly trained rater will impress upon the employee the interest the employer has in the work which is being done by the individual, and how management seeks to build its organization by developing its present personnel to greater capability.

When employees realize that according to a fixed schedule they can expect an analysis to be made of them, they are likely to govern themselves accordingly.

> "Many aspects of an employee's performance... could be easily improved...and the employee would like to improve if he were made aware

of his shortcoming".[7]

Although ratings are only a descriptive measurement, they can, from experience, become an accurate measurement, and if the forms are properly administered a feeling of confidence will be developed that will help make administration of a rating plan much easier.

Occasionally errors will be made from mistaken impressions, either by under-rating or over-rating employees, but when the ratings are given proper analysis most of the inconsistencies will be so noticeable that they will be corrected immediately. This may call for forthrightness and intelligence on the part of those administering the program, but it will definitely pay dividends through increased employee support of the program.

3. PREVENTS GRIEVANCES

It would probably be safe to say that nothing could make management happier than to have some effective mechanism for nipping grievances at the source. In the World War II period from which we are emerging, labor has attempted, by and large, to abide by its no-strike pledge and we have had more interest than ever before, by management and the government, in handling grievances. The machinery, at

7. Tiffin, Joseph, "Industrial Psychology", Industrial Merit Rating, 1942, p. 237.

7. Tiffin, Joseph, "Industrial Psychology", Industrial Merit Rating, 1942, p. 327.

present, for handling grievances, is as well developed as it has ever been. The impression has definitely been made, that no strike should be called until properly accredited grievance committee officials have had an opportunity to review the facts on which the strikes would be called.

When you have a close-working relationship and an opportunity for constructive criticism, you definitely improve the opportunities for free discussion of problems that might even materialize into costly action. In the interview with the rater, the employee has an opportunity to discuss his progress, opportunities, and problems that confront him. A trained rater, or member of the rating committee, will be on the look-out for frank, unguarded statements, an employee might make which would be indicative of his thinking. The rater is not trained to a labor spy, but rather, he is trained in labor relations and how best to handle various problems, which will confront him in his day to day work.

During the War, the Federal Government spent many thousands of dollars in an effort to educate supervisory personnel in the ways of better handling of employees. In The Training Within Industry Division, of the Federal Department of Education, the basic courses they presented, and these were by far the most numerous, dealt with the handling of employees. These courses were known commonly

as JIT, JMT, and JRT, which stand for Job Instruction Training, Job Methods Training, and Job Relations Training. I think it is safe to say, that one of the primary aims of this whole program has been to make better foremen and better supervisors. Any improvement in the quality of supervisory personnel will very logically improve the quality of the raters, because they are one and the same.

When a situation arises in which both union leadership and management will agree as to some definite program of rating employees, we have the ground-work laid for a harmonious and profitable relationship. At the present time, many forward-looking union leaders are in agreement with certain types of merit rating programs, and even if they are not in agreement with certain specific provisions in the program, they are interested in the settlement of grievances arising from the rating procedures.

5. DEVELOPS SUPERVISORS

It happens all too frequently that a supervisor will give out snap judgment. Quick, offhand opinions are not only unfair because they are rendered thoughtlessly, but they are also inclined to be untrue or insufficient.

I have mentioned previously that the merit rating forms tend to educate raters to think of their associates

8

in certain definite terms, measuring them by the factors which appear on the rating forms as definite, substantial meanings, and a word such as "good" means that the man is better than the average, and much superior to a fair worker or a poor worker.

Supervisors will be better able to probe and explain weaknesses or failures in an employee with a definite list that is clear and proper. This is particularly helpful for corrective measures. For instance, a worker may be extremely diligent and industrious in performing his work and moderately skillful, but because he is constantly tardy in starting work in the morning or returning from relief periods during the day, he may so color his supervisors thoughts toward him as to be condemned, whereas the man has really but one bad habit.

The training program that is attempting to develop the raters should lay particular emphasis upon this phase of merit rating for it is teaching raters to do their rating without the form before them, so that in time a rater can pass judgment on a man without looking at the rating form. This does not mean that the rating form will not be used, because, of course, the rating form has more than one use and must be in permanent form.

8. Thesis, p.35A, Chapter III, No. 1, "A Uniform Method of Expressing Opinions".

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6. Thesis, p.84, Chapter III, No. 1, "A Uniform Method of Expressing Opinions".

One of the reasons that I favor a fairly short and concise merit rating form, such as Tiffin's Progress Record[9] shown on Page 46A of this thesis, and the merit rating form of the Walter Kidde Company,[10] is because it is much easier for a rater to become familiar with a chart of this type than it is for him to remember one such as that used by the Kimberly-Clark Corporation.[11] The charts of Tiffin and the Walter Kidde Company are concise, well-defined, and their layout has simplicity and completeness, whereas the forms used by the Kimberly-Clark Corporation requires considerable time in order to deal fairly with every one of the statements listed on the form. It is too easy for a supervisor to pass hurriedly over the tedious work in completing the Kimberly-Clark check list and do an injustice to the employees unwittingly. In fairness to the Kimberly-Clark Corporation, it must be acknowledged that in the opinion of impartial observers, particularly men of the National Industrial Conference Board who participated in their study of employee rating methods, the Kimberly-Clark Corporation has one of the best administered merit rating plans in use today. In the opinion of C. E. Jurgenson of the Industrial

9. Ibid, #7, p. 235.

10. Walter Kidde Company, Merit Rating Form.

11. Ibid, #5.

PROGRESS RECORD

PERFORMANCE FACTORS	PERFORMANCE GRADE				
	Far Exceeds Requirements of this job	Exceeds Requirements of this job	Meets Requirements of this job	Partially Meets Requirements of this job	Does not Meet Requirements of this job
Quality of work Accuracy Economy of Materials Economy of Time(his & others) Neatness Thoroughness	Consistently Superior	Sometimes Superior	Consistently Satisfactory	Usually Acceptable	Consistently Unsatisfactory
Quantity of work Productive Output	Consistently Exceeds Requirements	Frequently Exceeds Requirements	Meets Requirements	Frequently below Requirements	Consistently below Requirements
Dependability Follows Instructions Judgment Punctuality and Attendance Safety Habits	Consistently Dependable	Dependable in most respects	Ordinarily Dependable	Frequently Undependable	Consistently Undependable
Compatibility Attitude Towards the Co. Attitude Towards S'sion. Cooperation with Follow-Employees	Inspires others to work with and assist do-workers	Quick to volunteer to and work with others	Generally works well with and assists others	Seldom works well with or assists others	Does not work well with or assist others

"Industrial Psychology" by Tiffin. Prentice-Hall Inc. 1942 pp. 235

Combustible	Gas-motors using 2, also 4 cycle, for producer gas	Gas engines using coke or anthracite	Gas engines using coal or lignite	Oil engines using crude petroleum	Oil engines using kerosene
Горючее	Газовые моторы для работы на генераторном газе, 2 и 4 цикла	Газовые моторы для работы на коксе или антраците	Газовые моторы для работы на каменном угле или буром угле	Нефтяные моторы для работы на сырой нефти	Нефтяные моторы для работы на керосине
Combustible	Moteurs à gaz à 2 temps, pour gaz de gazogène	Moteurs à gaz pour coke ou anthracite	Moteurs à gaz pour houille ou lignite	Moteurs à pétrole pour pétrole brut	Moteurs à pétrole pour pétrole lampant
Brennstoff	Gasmotoren für 2 und 4 Takt für Generatorgas	Gasmotoren für Koks oder Anthrazit	Gasmotoren für Steinkohle oder Braunkohle	Petroleummotoren für Rohöl	Petroleummotoren für Leuchtöl
Combustible	Motores de gas de 2 tiempos para gas pobre	Motores de gas para coque o antracita	Motores de gas para hulla o lignito	Motores de petróleo para petróleo crudo	Motores de petróleo para petróleo lampante
Combustivel	Motores a gás de 2 tempos para gás pobre	Motores a gás para coque ou antracite	Motores a gás para hulha ou lignite	Motores a petróleo para petróleo bruto	Motores a petróleo para petróleo lampante

ВЫБОР ДВИГАТЕЛЯ

Выбор	Газовые моторы для работы на генераторном газе	Газовые моторы для работы на коксе или антраците	Газовые моторы для работы на каменном угле или буром угле	Нефтяные моторы для работы на сырой нефти	Нефтяные моторы для работы на керосине
Choix	Moteurs à gaz pour gaz pauvre	Moteurs à gaz pour coke ou anthracite	Moteurs à gaz pour houille ou lignite	Moteurs à pétrole pour pétrole brut	Moteurs à pétrole pour pétrole lampant
Auswahl	Gasmotoren für Generatorgas	Gasmotoren für Koks oder Anthrazit	Gasmotoren für Steinkohle oder Braunkohle	Petroleummotoren für Rohöl	Petroleummotoren für Leuchtöl
Elección	Motores de gas pobre	Motores de gas para coque o antracita	Motores de gas para hulla o lignito	Motores de petróleo para petróleo crudo	Motores de petróleo para petróleo lampante
Escolha	Motores a gás pobre	Motores a gás para coque ou antracite	Motores a gás para hulha ou lignite	Motores a petróleo para petróleo bruto	Motores a petróleo para petróleo lampante

Relations Department of the Kimberly-Clark Corporation, "The present form is functioning very satisfactorily... we hope to make further refinements in the future".[12]

With proper emphasis placed on rater discussion, such as "Follow-up Conferences" or "Retraining Conferences" which should be conducted periodically, a sharp increase in the ability of supervisors to be analytical in their comments toward their employees should be evident, and the tendency to be indefinite will be so noticeable in those who do not use care, that they can easily be corrected.

6. A GAUGE OF EMPLOYEES' PROGRESS

Every growing company is very much interested in bringing along those employees who demonstrate capability. Records of an employee's progress in production work, or in training courses, or outside educational improvements are valuable information. Thus, if we have an accumulation of favorable records concerning the tenure of an employee, it is only reasonable to expect both management and the employee to be awaiting the day when an increase may be granted, or a promotion.

If certain undesirable traits are revealed over a period of time, it is a good indication that the employee

12. Jurgenson, C. E., Industrial Relations Department, Kimberly-Clark Corporation, Neenah, Wisconsin

does not intend to improve, or he is not being properly informed that he is not wholly acceptable, and, as a safeguard to management, it might be wise to have specific notations made by a representative of the personnel department or the rater that the undesirable traits were covered in a frank discussion with the employee and emphasis placed on the fact that improvement had not been noted.

We must always keep in mind that these discussions and the ratings themselves are confidential material, brought up only at a discussion with the employee or with the personnel department when the employee is under consideration, for if the confidence placed in merit rating by the employee is shattered, because the information was made public, then the whole effort may be jeopardized and subject to scorn. It is extremely important that raters be carefully instructed to avoid comparisons between individuals and that any appeal made by an individual before a rating committee be kept away from a discussion of personalities, as this will lead to management-opinions on more than one individual.

Of considerable importance to the employee is the fact that merit rating data are periodically shown to him. A study by Asa S. Knowles in his pamphlet, "Merit Rating in Industry", states:

> "Many companies are on the fence as to whether employees should be shown their ratings. Among those replying, thirteen companies show the final ratings to the employees, while three show them only upon request. Twenty-two companies do not show the ratings to their employees.
>
> If the rating program is carefully and conscientiously designed, and one of its objects is a sincere desire to help the employee become a better workman, there should be no reasonable objection to discussing with him his rating. Not to do so but to surround rating with an unnecessary secrecy breeds distrust and, in some instances, labor trouble. A clear discussion of the employee's strong and weak points, unhampered by emotional bias on the part of the superior, can do much to impress the worker with his employer's honesty and fairness, and encourage him to become a better workman."[13]

I cannot see how an employee can have full confidence in a merit rating system if the results of frequent ratings are withheld from him. The resentment that will develop in his mind will speedily find its way into a grievance problem that the union steward will have to settle with management, for to the average worker, any secret data of this nature resembles a black-list and is a definite threat to his success on his job.

In Lord & Taylor's, New York City, a department store employing approximately 3,000 people with a successful record of merit rating for over twenty-five years, it has

13. Knowles, Asa S., Merit Rating of Supervisors, Foremen, and Department Heads, Boston, College of Business Administration, Bureau of Business Research, Northeastern University, Bulletin No. 4, 1940, p. 19.

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13. Knowles, Asa S., Merit Rating of Supervisors, Foremen, and Department Heads, Boston, College of Business Administration, Bureau of Business Research, Northeastern University, Bulletin No. 4, 1940, p. 19.

been the practice to discuss ratings with their employees. Mr. Henry Leach, Director of Non-executive Personnel, states:

> "Our employees expect to have their ratings discussed with them and we have experienced no difficulty in the administration of our merit rating program."

7. TRAINING DEPARTMENT AIDS

When the rating reports are coordinated by a properly qualified individual in the personnel department, they may easily uncover general situations that would indicate a substantial need for a training program or a training manual.

By no means do the merit rating reports need to be surveyed by a member of the training department, but rather let the proper personnel officer uncover the information through his analysis and then pass on the information to the proper individuals, The confidence of the merit rating forms must be maintained, and it is up to the personnel officer designated to discover situations such as lack of cooperativeness, poor punctuality, poor safety, and lack of interest in work.

It is obvious that situations will be uncovered where a training course is plainly needed, and possibly for a fairly large number of people. In this case it will be easy to design a course to fulfill this need. It is possible that a small number of people might be singled out

from the data who are in need of counselling regarding some personal characteristic, particularly if this characteristic is noticeably holding them back. Such a characteristic might be inability to cooperate with fellow employees or improper use of company time, or poor general appearance due to carelessness. Such failings as have been listed could be the subject of a short personal course which could aid these employees in their chances for promotion. Particularly would such a course aid employees who meet the public, as in department stores, public service companies, large hotels, and other large-scale employers which rely very heavily on creating the proper atmosphere in dealing with the public. It would be well to have the director of training a member of the guiding committee responsible for the merit rating program so that he can keep closely informed concerning information which shows the need of training programs and to institute the same in his particular division.

8. AID IN PLACEMENT AND TRANSFER

In a period when there is a surplus personnel in one department, it is readily possible to select and place some of the surplus personnel in other departments which may be in need of additional employees by consulting the rating information and being guided by it. The information will indicate those most likely to be satisfactory

in the available new positions and the department to which they are going can be prepared in advance as to the type of people they will be getting and the assignment on which they will probably be most successful.

The policy of giving preference in employment of surplus employees is well established and is a problem now more of proper distinction and extent of employees' abilities than anything else. Previous ratings will serve as an excellent guide to indicate an employee's qualifications and interests and serve as a basis for selection of the most desirable prospects. Rating will to some extent influence the quality desired in new employees and through experience with the rating system those individuals in supervisory positions will deliberately look for the various good qualities of a suitable employee. This good point alone will later prove its worth by minimizing the number of people who may have to be released as unsuitable with the attendant high cost of turnover.

9. PREVENTS A "FORGOTTEN MAN"

When the merit rating plan is all inclusive, the danger of over-looking any individual employee is minimized. The opportunity for an employee to be "taken for granted" is very unlikely, due to the periodic evaluating sheets which must be made out on his behalf. At

the time when he learns of the rating that has been given him he has an opportunity to judge how closely he meets or fails to meet company standards for his type of work. This will prevent the supervisor's over-looking any one individual in his department and will provide the employee with some assurance that he is performing his work satisfactorily and will help him exercise for himself the degree to which he possesses or lacks successful qualifications.

10. STIMULATES MORALE

It is possible to say that enlightenment is synonymous with good morale and that in this organization where employees are aware of what is going on, where they fit in the total picture and where they are heading, there is very likely to be extremely good morale. If the plan has been demonstrated for some period of time, as for example, in Lord & Taylor where twenty-five years experience in merit rating has solidly established this practice, it's acceptance is universal and well supported. Employees expect certain protective rights to come out of the merit rating technique and they look to the Personnel Department to aid them in their personal advancement. Morale is a state of mind and good morale is identified with a peaceful, progressive state of mind. In organizations where personnel practices are progressive and in keeping with

good business practice, morale is likely to be high. This is particularly true in those companies where forceful support is given to applying rating information in personnel problems.

11. DISCOVERS AND PROMOTES TALENT

Through formal, frequent rating processes the discovery of talented individuals will be facilitated because of the better acquaintanceship which will develop between management representatives and employees. Ratings may frequently be the reason for certain employees being encouraged and aided in taking special training or educational advantages which will later serve as a basis for their promotion and development. The earlier potential, valuable employees are discovered, the sooner they will have an opportunity to realize their worth and the company use them to proper advantage.

The technique of applying a rating plan will furnish proper evidence through its regular yielding of information of the abilities of certain individuals who are talented.

12. AIDS PROPER SELECTION OF NEW EMPLOYEES

If the hiring of new employees is done with proper care, it is only fair to give the new employee a thorough trial period of employment. The results of the first

rating may indicate the selection and assignment was a good one or it may indicate a doubtful case. In the latter instance, if the employee has enough good points to warrant continued trial this may well be the wise thing to do. Inasmuch as the company has an investment in each new employee, (for it has been a direct cost to hire him), a certain amount of extra effort may be desirable in trying to find the correct placement of a potentially good employee. This trial period will be an excellent opportunity for the supervisor to discuss the employee's performance with him and convince him that the company is interested in proper selection and placement from both the management's point of view and that of the employees. If it is fully understood by the employee that steady, periodic ratings will be made of his progress up to a certain point in an effort to secure the proper placement, then the employee is likely to respond willingly to this personnel technique.

13. CREATES GREATER EMPLOYMENT SECURITY THROUGH THE INFLUENCE WHICH HIGH STANDARDS OF SELECTION, DEVELOPMENT, RATING AND PLACEMENT OF PERSONNEL EXERT ON COMPANY STABILITY.

When an organization participates conscientiously and completely in a rating program, the effect upon employees is usually to impress them that the company believes in this personnel technique. It offers definite assurance and is an articulate and emphatic process of

constantly gauging each individual employee. Such activity on the part of an organization is evidence of progressive thinking in personnel management and influences employees opinions when they compare their employer against other employers, particularly those who have no personnel programs or only limited or incomplete programs.

The danger of hasty, inconsistent hiring and firing is greatly minimized when a corporation practices good personnel administration.

14. ASSISTS IN USE OF PERSONNEL TESTING PROGRAMS AS VALIDATION DATA.

In personnel testing programs the value of the data that are produced is determined by the ability to measure this data against effective performance. It is necessary to review testing results compiled at an earlier date against periodic rated performance in an effort to see whether it is valid or not. The greater the number of cases tested and later rated, the greater the possibilities in employing testing techniques.

SYLVANIA ELECTRIC PRODUCTS, INC.

ANNUAL PERFORMANCE AND PERSONALITY REVIEW

GENERAL ENGINEERING DIVISION. EMPORIUM, PA.

NAME. . . . . .

PRESENT JOB CLASSIFICATION. . . . . .

A. PERFORMANCE FACTORS

1. Quantity or Volume	Very low output ___	Below standard ___	Required amount ___	Higher than average ___	Very high output ___
2. Quality of Work	Very careless-slovenly ___	Many errors-untidy ___	Normal mistakes ___	Neat-usually accurate ___	Very exact ___
3. Knowledge of Job	Needs training badly ___	Weak on fundamentals ___	Enough for job ___	Well informed ___	Accurately informed ___
4. Attendance	Often late or absent ___	Irregular ___	Occasionally late or absent ___	Seldom out or late ___	Never late or absent ___

B. PERSONALITY FACTORS

5. Job Interest	Can't start any job ___	Slow to get under way ___	Satisfactory ___	Eager to start jobs ___	Initiates and starts jobs ___
6. Intelligence	Sees and hears little ___	Misses details ___	Average analysis ___	Good reasoning ___	Genius ___
7. Leadership	Always follows others ___	Indifferent-can't lead ___	Average-gets along ___	Satisfactory leader ___	Willingly followed ___
8. Planning	Can't find answers ___	Flounders-copies only ___	Average for job ___	Usually sound ___	Always finds solution ___
9. Drive	Can't decide or organize ___	Faulty-too late ___	Adequate ___	Sound and deliberate ___	Accurate and fast ___
10. Follow-Through	Needs constant prodding ___	Leaves loose ends ___	Average-requires check ___	Concludes without help ___	Completes thoroughly ___

Graded by. . . . . .

Approved by. . . . . .Date. . . . . .

(Use reverse side for comments)

569

NEWARK COLLEGE OF ENGINEERING

Subjective Ratings — **Industrial Relations Department**

Name _____ Course _____

We should appreciate having your appraisal of this man, as regards the qualities listed below. This report will be used primarily for constructive purposes and in no instance will it be the sole basis for grading. Therefore, adverse criticism, if accurate, may be of considerable benefit to the young man.

Ratings may be indicated by placing a check mark opposite each characteristic at the division on the scale most nearly indicating the estimated rating. We should appreciate the details on any outstanding item in the space provided under "Remarks."

1. Physical Qualities Consider his physique, bearing, energy, personal neatness, voice, What is your impression of him in these respects?	Very poor		Ordinary		Very Good
2. Personal Approach What is your personal reaction to him? Do you like him? Is he pleasant, straight forward, cheerful, and mannerly? Is he friendly without being over-familiar?	Has very poor approach	Not very likeable	Fair impression	Pleasing	Especially likeable
3. Social Attitude Consider if he seeks to do the right thing; if he respects the rights and property of others; if he accepts criticism in good spirit.	Surly and rude No regard for others	Poor attitude	Fair attitude	Usually reasonable snd willing	Anxious to cooperate. Excellent attitude
4. Leadership Does he usually take the initiative in most things? Is he firm and yet tactful? Will he make a decision and then abide by it? Will other men follow him?	Always follows	Routine worker. Rarely takes initiative	Has fair leadership qualities	Can organize and direct	Always starts things. Prefers to lead
5. Judgment Does he reason for himself and has he a good sense of values?	Has very poor judgment	Decisions are not dependable	Has fair sense of values	Has considerable common sense	Decisions show real thought
6. Industry and Application. Is he a conscientious worker? Does he apply himself consistently to the work at hand?	Lazy and uninterested	Must be urged	Fairly good worker	Persistent	Very energetic, does extra work
7. Aptitude Does he learn easily and has he the ability to grasp the point quickly? Can he clearly estimate a new situation?	Very dull Requires many repetitions	Learns slowly	Has fair aptitude	Bright, quickly grasps new ideas	Very bright Anticipates new situations
8. Accuracy Is he careful to maintain high standards of correctness in his work?	Very careless	Often makes errors	Fairly accurate	Consistently accurate	Very careful and seldom makes errors

REMARKS

Outstanding Items

In which of the following types of work would he probably be of the most value:

Design Executive Management Production Research Sales

Others

Signed

Dated

Form 138-4

Merit Rating Report

Supervisor

Department

Date Rated

Indicates ⟿ Encourage Employee Improvement

Department Average [ ] Company Average [ ]

1=Excellent	☐
2=Very Good	☐
3=Good	☐
4=Fair	☐
5=Poor	☐

Employees Name	Quality of Work	Adaptability	Job Knowledge	Quantity	Cooperation	Dependability	Rating

INSTRUCTIONS—Read Carefully

5C c

Walterboro & Co

Employees Merit Rating

DATE RATED 56 d

CLERICAL and NON-SUPERVISORY

A. J. HARRISON

Name..... Emp. No..... Plant No..... Job Code No..... Job Title.....

Starting Date..... Rated by..... Approved by.....

INSTRUCTIONS—Read Carefully

Each employe's ability and fitness in his PRESENT occupation or for promotion may be appraised with a reasonable degree of accuracy and uniformity, through this merit rating report. The rating requires the appraisal of an employe in terms of his ACTUAL PERFORMANCE. It is essential, therefore, that snap judgment be replaced by careful analysis. Please follow these instructions carefully:

- Use your own independent judgment.
- Disregard your general impression of the employe and concentrate on one factor at a time.
- Study carefully the definitions given for each factor and the specifications for each degree.

4. When rating an employe, call to mind instances that are typical of his work and way of acting. Do not be influenced by UNUSUAL CASES which are not typical.

5. Make your rating with the utmost care and thought; be sure that it represents a fair and square opinion. DO NOT ALLOW PERSONAL FEELINGS TO GOVERN YOUR RATING.

6. After you have rated the employe on all 6 factors, write under the heading "Comments" any additional information about the employe which you feel has not been covered by the rating report, but which is essential to a fair appraisal.

7. Read all four specifications for Factor No. 1. After you have determined which specification most nearly fits the employe, place the specification letter of your rating (ONE ONLY OF A-B-C or D) in the last column under "Rating." Repeat each factor.

FACTORS	DEFINITIONS	SPECIFICATIONS				Rating	Rate
25 Quality of Work	This factor appraises the employe's performance in meeting established quality and accuracy standards.	A | 8 Is he careless? Does his work only get by? Does he make mistakes?	B | 14 Is his work passable? Does he make occasional mistakes? Must you tell him to do a better job?	C | 20 Does he usually do a good job? Does he seldom make errors?	D | 25 Does he consistently do an outstanding job? Are mistakes and errors very rare?	1 2	
15 Adaptability	This factor appraises the employe's ability to meet changed conditions and the ease with which he learns new duties.	A | 15 Does he learn new duties and adjust himself to changes in his work very quickly and easily. Justifies the confidence you place in him?	B | 12 Can he turn from one type of work to another or grasp new ideas with little difficulty if given time and instruction?	C | 8 Is he a routine worker? Does he require detailed instruction on new methods and duties?	D | 4 Is he slow to learn? Does he require repeated instruction? Does he have great difficulty adjusting himself to new work?	1 2	
20 Job Knowledge	Measures how thoroughly employe knows the job he is working on.	A | 20 OUTSTANDING Is he ~~an expert~~ on his job? Can he work without assistance? High regard as to his job knowledge?	B | 16 Is he well informed on his job and related work, rarely needing assistance, but asking for it when it will save time?	C | 11 Does he know his job fairly well, but regularly require supervision and instruction?	D | 6 Is his knowledge of his job limited? Does he require almost constant assistance?	1 2	
20 Quantity	Measures the employe's output of satisfactory work.	A | 6 Is he slow? Is his output frequently below the required amount?	B | 11 Does he turn out the required amount of work but seldom more?	C | 16 Is his output high most of the time? Does he turn out more than is expected?	D | 20 Is his output unusually high? Is he exceptionally fast?	1 2	
10 Cooperation	Measures his attitude towards his work, company and associates, also his willingness to work with and for others.	A | 10 Is he an exceptional cooperator, getting along well with others, always willing to try out new ideas and open to suggestions?	B | 8 Is he about average, a fair cooperator ready to meet others half way? Gets along with his associates?	C | 5 Does he seldom volunteer to do anything beyond the limits of his own job? Does he usually cooperate but with some resistance?	D | 3 Does he detract from the effectiveness of others, argue or refuse to help others? Cooperates only when he has to?	1 2	
10 Dependability	Appraises your confidence in the employe to carry out all instructions conscientiously.	A | 3 Does he require frequent follow-up even on routine duties? Somewhat unreliable?	B | 6 Does he carry out all instructions fairly well, doing a passable job but required some follow-up.	C | 8 Applies himself well, conscientious worker, requires minimum amount of follow-up?	D | 10 Justifies utmost confidence that any job you give him will be done right, and on time? Very dependable.	1 2	

Comments .....

.....

.....

GROUP

91 To 100 → 1 = Excellent ☐
81 To 90 → 2 = Very Good ☐
71 To 80 → 3 = Good ☐
61 To 70 → 4 = Fair ☐
5 = Poor ☐

TOTAL POINTS

Employees Merit Rating

CLERICAL and NON-SUPERVISORY

Name..... Emp. No.... Plant No.... Job Code No.... Job Title.....

Rating Date..... Rated by..... Approved by.....

INSTRUCTIONS—Read Carefully

1. Use your own independent judgment.
2. Disregard your general impression of the employee and concentrate on the one factor at a time.
3. Study carefully the definitions given for each factor and the specifications for each degree.
4. When rating an employee, call to mind instances that are typical of his work and way of acting. Do not be influenced by UNUSUAL CASES which are not typical.
5. Make your rating with the utmost care and thought; be sure that it represents a fair and honest opinion. DO NOT ALLOW PERSONAL FEELINGS TO GOVERN YOUR RATING.
6. After you have rated the employee on all 5 factors, write under the heading "Comments" any additional information about the employee which you feel has not been covered by the rating report, but which is essential to a fair appraisal.
7. Read all four specifications for Factor No. ( ). After you have determined which specification most nearly fits the employee, place the appropriate letter of your rating (ONE ONLY OF A,B,C or D) in the box column under "Rating." Reject each factor.

FACTORS	DEFINITIONS	SPECIFICATIONS				Rating
		A	B	C	D	
Quality of Work	This factor appraises the employee's performance in meeting established quality and accuracy standards.	Is the carefree? Does his work only get by? Does he make mistakes?	Is his work passable? Does he make occasional mistakes? Must you tell him to do a better job?	Does he usually do a good job? Does he seldom make errors?	Does he consistently do an outstanding job? Are mistakes and errors very rare?	1 2
Quantity of Work	This factor appraises the employee's ability to meet changed conditions and the ease with which he learns new duties.	Does he learn new duties and adjust himself to changes in his work very quickly and easily. Handles the confidence you place in him?	Can he turn from one type of work to another or grasp new ideas with little difficulty if given time and instruction?	Does he require supervision or help in learning new duties?	Is he slow in learning? Does he require instruction? Does he require great difficulty adapting himself to new work?	1 2
Knowledge of Job	Measures how thoroughly employee knows the job he is working on.	Is he an asset on his job? Can he work without assistance? High regard as to his job knowledge?	Is he well informed on his job and reduced work? rarely needing assistance, but asking for it when it will save time?	Does he know his job fairly well, but requiring supervision and instruction?	Is the knowledge of his job limited? Does he require almost constant assistance?	1 2
Accuracy of Work	Measures the employee's degree of satisfactory work.	Is it slow? Is his output frequently below the required amount?	Does he turn out the required amount of work but seldom more?	Is the matter with most of the day? Does he turn out more than is expected?	Is he working unnecessarily high? Is he exceptionally fast?	1 2
Co-operation	Measures his attitude toward his work, company, and also his willingness to work with and for others.	Is he an exceptional cooperator, getting along well with others, always willing to try out new ideas and open to suggestions?	Is he about average, a fair cooperator ready to meet others half way? Gets along with his associates?	Does he seldom volunteer to do anything beyond the limits of his own job? Does he usually cooperate but with some reluctance?	Does he distract from the effectiveness of others, argue or refuse to help others? Cooperates only when he has to?	1 2
Dependability	Appraises your reliance in the employee to carry out all instructions conscientiously.	Does he require frequent follow-up even on routine duties? Undependable? unreliable?	Does he carry out all instructions fairly well, doing a passable job but required some follow-up?	Applies himself well, requires minimum amount of follow-up?	Inspires utmost confidence that any job you give him will be done right, and on time? Very dependable.	1 2

Comments .....

GROUP
1 = Excellent ☐
2 = Very Good ☐
3 = Good ☐
4 = Fair ☐
5 = Poor ☐

TOTAL POINTS

SUPERVISORY MERIT RATING REPORT SUMMARY

DEPARTMENT_____

DEPARTMENT HEAD_____

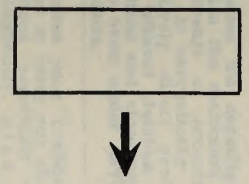
RATED BY_____

RATED BY_____

DATE RATED_____

Department Average Current Rating	
Department Average Previous Rating	
Company Average Previous Rating	

INDICATES



ENCOURAGE EMPLOYEE IMPROVEMENT

RATING CODE

GROUP	
1 = EXCELLENT	**I.P.** = Immediate Promotable. This employee is ready at present time for a more responsible position
2 = VERY GOOD	**YR.** = This employee will be ready within one year for a more responsible position.
3 = GOOD	**N.Q.** = Rendering full service but not qualified for greater responsibilities at this time.
4 = FAIR	**S.P.** = Making satisfactory progress but has not been on the job long enough to render full service.
5 = POOR	**M.M.** = Meets only minimum requirements on this job.

SUPERVISOR'S NAME	LEADERSHIP	JOB KNOWLEDGE	JUDGMENT and COMMON SENSE	INITIATIVE and CREATIVENESS	OUTPUT	DEPEND-ABILITY	COOPERATION	PERSONALITY	RATING CO GROUP

SUPERVISORY MERIT RATING REPORT SUMMARY

DEPARTMENT _____

RATED BY _____

DATE RATED _____

Department Average Current Rating _____

Department Average Previous Rating _____

Company Average Previous Rating _____

INDICATES

ENCOURAGE EMPLOYEE IMPROVEMENT

GROUP	
1=EXCELLENT	
2=VERY GOOD	
3=GOOD	
4=FAIR	
5=POOR	

RATING CODE

1.P.=Immediate promotable. This employee is ready at present time for a more responsible position.

Y.R.=This employee will be ready within one year for a more responsible position.

N.D.=Developing (but should not be considered for greater responsibilities at this time.

S.P.=Highly satisfactory progress but not yet been on the job long enough to receive full service.

M.M.=Meets only minimum requirements for his job.

SUPERVISORY NAMES	LEADERSHIP	JOB KNOWLEDGE	JUDGMENT and COMMON SENSE	INITIATIVE and CREATIVENESS	OUTPUT	DEPENDABILITY	COOPERATION	PERSONALITY	RATING CODE GROUP

Walter Kidde & Company, Inc.

56 p

SUPERVISORY MERIT RATING

Name ..... Employee's No. ..... Job Code No. ..... Job Title ..... Plant No. ..... Date Rated .....

Starting Date ..... Rated by ..... Approved by .....

FACTORS	DEFINITIONS	SPECIFICATIONS				
...ESHIP	Considers his ability to properly select, organize, inspire and lead a group to obtain the maximum efficiency, also his capacity to assume greater responsibilities.	*A* A very forceful and efficient leader. Shows good diplomacy. Exceptional ability in directing people effectively. Knows how to stimulate and lead rather than boss.	*B* Better than average in leadership. Displays fairness with employees, associates and management. Ability qualifications satisfactory.	*C* His performance as a leader is reasonably satisfactory but he is not suited in all respects to what is required, considerable explanation and direction necessary.	*D* His leadership qualities are not outstanding. Not possessed with the ability to organize his own and the employees' time. Does not follow through efficiently.	1 / 2
...EDGE	Measures his understanding and grasp of all company policies, methods and conditions in and allied to his department, also his knowledge, accuracy and versatility to his specific job.	*A* He is outstanding ing on his job, can work without assistance. Has an exceptional thorough knowledge of the work and management's system of regulative measures.	*B* He is well informed on his job and related work occasionally needing assistance. He understands company policies, procedures and products.	*C* He knows his job fairly well but lacks ability to analyze and solve new problems, necessitating some supervision and follow-up.	*D* Handicapped by inadequate knowledge of his responsibilities. He requires considerable assistance.	1 / 2
...ENT ...ON ...E	Considers the wisdom of his actions in the absence of detailed instructions, also his faculty of deciding correctly the proper procedure in emergency situations.	*A* He is tolerant, sincere and diplomatic. Shows rare judgment and common sense in his ability to make right decisions. He operates effectively under adverse conditions. He has foresight and alertness, very consistent.	*B* As a general rule he makes sound decisions, displays good reasoning and thinking in most decisive matters. Usually has the correct answer.	*C* Decisions uncertain at times. His all-around performance is not outstanding, neither is there any notable deficiency. Thinking sometimes illogical.	*D* He is often mistaken and unsound in his reasoning, lacks the ability to make decisions and select proper procedure. Does ill-considered things.	1 / 2
...TIVE ...IVE-...S	Considers his ability to think along original lines, to find new ways and methods of doing jobs better, also the frequency of his suggestions for work improvement.	*A* He creates and formulates own plans, his suggestions save time and money. Does his own thinking, takes the initiative, develops and expands. His work is highly constructive.	*B* Above average, alert on his job, progressive, grasps instructions and proceeds without being urged. Creates and executes ideas to some extent for betterment of the work.	*C* Shows initiative at times, occasionally suggests something worthwhile. As a general rule he is unable to solve his own problems.	*D* Seldom if ever does he display any sign of initiative or the ability to create anything worthy of careful consideration.	1 / 2
...TUT	Appraises his capacity to produce the maximum requirements of acceptable work, to energetically and effectively direct production without detailed instructions and close supervision even under adverse conditions.	*A* Quality and quantity of output exceptionally high. Shows resourcefulness in meeting upsets and solving unusual situations to maintain flow of work.	*B* Usually produces an acceptable volume of satisfactory work as a result of energy, interest and industry well planned and directed.	*C* His average productivity is reflected in his application to work. He is possessed of qualifications, which if properly directed, would eventually produce increased returns.	*D* His best efforts just meet minimum requirements for acceptable work. Better coordination and follow through would improve the situation.	1 / 2
...IID-...ITY	Appraises your confidence in him to carry out all instructions accurately and conscientiously, also the manner in which he applies himself to his work.	*A* Work is of the highest quality, thorough and very dependable. Have the utmost confidence that all assignments will be executed as specified and finished on time.	*B* Reliable in performance of most duties. Reasonably accurate and thorough. Usually can be counted on.	*C* He carries out all instructions fairly well, but requires frequent follow-up.	*D* He needs constant supervision even on routine work. Often disappoints, cannot be relied upon.	1 / 2
...ERA-...N	Considers his attitude towards his work with and for others. Measures his eagerness to cooperate in carrying out his duties and company policies.	*A* Extremely cooperative, works successfully with others. Has knowledge and appreciation of associates' problems, helping them at personal sacrifice.	*B* Gets along well with his associates and superiors, co-operates willingly, eagerly accepting all assignments. A good team worker.	*C* Seldom volunteers to do anything beyond the limits of his own job. He usually cooperates, but with some resistance.	*D* He shows reluctance and unwillingness to work with and for others. Selfish and obstructive.	1 / 2
...ON-...Y	Considers his forcefulness and scope of influence. Does he have a pleasant disposition? Is he friendly and agreeable? Does he win confidence as a result of his fairness and sincerity? Appraises his personality and mannerisms. Does he control his temper?	*A* Exceptional ability to get along with all people with whom he comes in contact. Always even tempered. Very agreeable to work with and a pleasure to work for.	*B* Agreeable, generally able to handle delicate situations without offense, gets along well with associates. Usually even tempered.	*C* Reasonably satisfactory personal relations with his employees and others. As a rule very friendly and congenial. Occasionally loses his temper.	*D* Better results could be attained if more tact and diplomacy were displayed. Argumentative to some degree, causing unnecessary friction. Inclined to lose temper.	1 / 2
	1. ☐ EXCELLENT	2. ☐ VERY GOOD	3. ☐ GOOD	4. ☐ FAIR	5. ☐ POOR	TOTAL POINTS

...(V) one only of the following, commensurate with your appraisal above.

IMMEDIATELY PROMOTABLE. This employee is ready at the present time for a more responsible position. ☐

POTENTIALLY PROMOTABLE. This employee will be ready WITHIN ONE YEAR for a more responsible position. ☐

SATISFACTORY. Rendering full service but not qualified for greater responsibilities at this time. ☐

NEW OR INEXPERIENCED. Making satisfactory progress but has not been on job long enough to render full service. ☐

QUESTIONABLE. Meets only minimum requirements of the job. ☐

List the jobs (or types of jobs) for which, in your opinion, this employee would be qualified, regardless of department or division.

1. .....

2. .....

3. .....

INSTRUCTIONS

1. The Supervisory Merit Rating System has been adopted to assist management in evaluating their supervisory organization more accurately and fairly.
2. Individual's strength and weakness should determine whether further coaching will develop him into a more effective leader.
3. Avoid partiality, bias, prejudice and the use of snap judgment.
4. Be fair to the employee, fair to the company and fair to yourself as a part of management in judging your men.
5. The worth of these evaluations depends upon your sound and impartial judgment. Read and become thoroughly familiar with every factor and definition before attempting to rate the employee.
6. Avoid the natural tendency of mentally placing an employe in a certain category and then checking all of the factors being evaluated at approximately the same degree, each specification should be considered separately.
7. Every employee, no matter how poor, has some good qualifications, no employee is so perfect that he could not improve in some respect.
8. Ask yourself these questions: Is he a person of caliber? How far can he progress in the Company? What reponsibility can he in time assume? Is he a person whom we should make a particular effort to train and develop?

COMMENTS

Please make a BRIEF statement summarizing the opinions you have expressed in reviewing this employee's service.

_____

_____

_____

_____

CHAPTER IV

THE DANGERS OF MERIT RATING

It is true with every personnel practice, that there are always a few weak or bad points to the practice that must be watched carefully, if the greatest good is to be derived for the greatest number. It would be folly to attempt to overlook weaknesses, with the thought that any acknowledgment of error is likely to injure the plan, for it has been found that employees are more acceptable to new ideas that come to them with the admission that they are not perfect, but understandable and useful.

I have listed the eight chief dangers to the merit rating program which I think should be chiefly guarded against and which can be detected by a careful scrutiny of the rater's reports. They are as follows:

1. THE HALO EFFECT
2. WEIGHTING THE TRAITS
3. POOLING RELIABLE WITH UNRELIABLE INFORMATION
4. CENTRAL TENDENCY
5. DEPARTMENTAL DIFFERENCES
6. FAILURE TO ALLOW FOR AGE
7. LENGTH OF SERVICE FACTOR
8. PREJUDICE AND BIAS

I shall proceed to discuss each of these dangers in order, as they are of sufficient importance to be

handled separately.

1. THE HALO EFFECT

In brief, the inability of raters to properly discriminate, can be said to be the basis for creation of what is popularly known as "the halo effect". Raters have a tendency, that is not reserved to them alone, to rate an individual high, or low, because this particular person stands out specifically on some one point, either very high or very low. No studied analysis is made of each factor that is on the rating form, as it should be, because the rater feels that he "knows" the person well, and tends to disregard the instructions he has been given.

The difficulty encountered in the "halo effect" is the failure to take each factor separately, measuring the employee on that factor alone, before proceeding on to the next one. In the Performance Analysis rating form designed by Henry F. Callahan of the Danvers Fluorescent plant[1] he rates twelve qualities and offers a five-way breakdown on each quality, but each break-down whether it is "inferior", "unsatisfactory", "satisfactory", "excellent", or "superior", has a few words of explanation regarding that particular evaluation so that what to one person might be "unsatisfactory", is, upon reading the brief explanation

1. Callahan, Henry F., Manager of Danvers Fluorescent Plant of Sylvania Electric Products, Inc., Danvers, Mass., 1945.

[1]

SYLVANIA ELECTRIC PRODUCTS INC.
DANVERS, MASS.

PERFORMANCE ANALYSIS

A listing of factors is made for the purpose of assisting in the analysis of performance on a job in order to get a clearer understanding of quality requirements and improvements.

As the importance of the characteristic varies so much with the type of job considered, there has been no assignment of relative point values. This can be understood, as vitality and "carry through" are important on all jobs, while factors such as technical knowledge and fairness may bear relatively far different weights. Other miscellaneous factors that may be important on jobs or to individuals such as lack of confidence, analytical ability, ability to express ideas clearly, etc., are not stressed but should be considered as they apply.

The tabulation is to be used as a guide for analyzing performance so as to assist in the development of organization men.

The standard that is used as a basis for comparison is most important. It is suggested that a standard of the present and future job that a man should be able to attain be both considered in an interview.

Compiled by H. F. CALLAHAN

Definition of Terms Used

INFERIOR: Exceptionally poor in performance; exceptionally lacking in the qualifications considered.

UNSATISFACTORY performed as well a reasonably expected. ly satisfactory.

QUALITY RATED	INFERIOR	UNSATISFAC
1. TACT, CO-OPERATIVENESS, FAIRNESS Ability to get along with people. The faculty of being considerate and sensible in dealing with others.	Is intolerant. Blames others. Antagonistic. Not sincere.	Cannot work well wit luctant to follow or people. Over criti Over aggressive in work and ideas of ot
2. INTELLIGENCE—ABILITY TO LEARN AND APPLY The ability to understand readily new ideas or instructions. Ability to apply training.	Not able to interpret instructions or carry them out.	Learns slowly or d experience gained. ply knowledge to pr
3. VITALITY - FORCE - AGGRESSIVENESS The faculty of carrying out with energy and resolution that which on consideration is reasonable and right.	Wholly lacking in persistence and forcefulness.	Needs push. Expe carry on. Takes Easily discouraged. Too forceful in oppo
4. GENERAL APPEARANCE Neat and clean in appearance. Poised.	Slovenly and dirty.	Careless. Open to
5. JUDGMENT AND COMMON SENSE The ability to think clearly and arrive at logical conclusion. Open-minded? Tendency to exaggerate? Freedom from prejudice?	Does no reasoning for himself. Closed mind.	Others cannot depe cisions. Biased. Po Defensive. Stubborn tify position taken.
6. INITIATIVE The trait of beginning needed work or taking appropriate action on his own responsibility in the absence of others.	Always depends on others; never takes the initiative.	Is routine worker; the initiative. Few
7. ABILITY TO HANDLE VARIATIONS IN PLANS	Gets completely confused.	Slow to revise plan tion.
8. ACCEPTANCE OF RESPONSIBILITY	Buck passer. Destructively critical.	Negative to chang Lack of confidence. Avoids taking pos bility to carry thro
9. EFFICIENT USE OF WORKING TIME	Very wasteful.	Not effective. Unst vous, inefficient or too much time for
10. LEADERSHIP Capacity to direct, control, and influence others in definte lines of action. Convincing presentation of ideas.	Antagonizes. Depresses people.	Poor control. Negat effective in present convincing people. associates. Does workers.
11. TRADE OR TECHNICAL KNOWLEDGE	Lacking.	Limited. Has not of opportunities to quire schooling.
12. JOB KNOWLEDGE [Such as items listed for supervision] (Cost records; policies; material, production and quality control; department and labor layout; schedules; equipment).	Little knowledge.	Has not sufficient time spent. Only ledge and not com

NOTES OR OTHER QUALIFICATIONS

ANALYSIS

SATISFACTORY: Efficient; work well performed; up to standard.	EXCELLENT: Work performed in a HIGHLY EFFICIENT manner; qualification better than usually accepted as satisfactory.	SUPERIOR: Highly efficient in performance; qualified to a pre-eminent degree.
SATISFACTORY	**EXCELLENT**	**SUPERIOR**
Average. Generally adapts himself to others.	Works well with others. Follows ideas cheerfully. Respects others' feelings.	Extremely considerate. Assists others. Gets along well with all kinds of people.
Average. Applies experience to new problems.	Learns quickly. Can apply knowledge.	Unusually quick to grasp essential elements and to apply training and experience. Very resourceful and far-seeing.
Average. In general carries through with steady pressure.	Persistent. Carries on despite difficulties.	Wins support by enthusiasm and industriousness. Sees a job through and follows it up to satisfactory conclusion.
Average. Nothing objectionable. Usually neat and clean.	Neat and clean always.	Makes a top impression as a Company representative.
Average. Considers all phases of problems. Consults others.	Is level-headed; has common sense; decisions show thought.	Makes excellent decisions quickly.
Average. Tries to participate and contribute.	Develops assigned field of work. gives good suggestions. Independent worker.	Develops new methods; is promoter always starts things.
Average. Thinks of action to be taken and effects.	Considers and revises plans and takes action in proper order.	Grasps essentials; reaches sound conclusions and takes fast action.
Average. Will carry on assignment.	Likes it; gets enjoyment out of being responsible.	Seeks it and handles it well.
Average. Handles first items first.	Good use of time. Plans time schedule.	Very effective and busy all the time.
Average. Sincerity and ability supply leadership.	Organizes and supervises well. Skillful presentation. Is enthusiastic.	Excellent leader. Develops others. Inspires men. Very effective by application of all characteristics.
Knows as much as average person on this work.	Well informed. Is an expert on some phases of work.	Very broad and exact.
Average application of training and experience.	Maintains and develops improvements in systems.	Has good control of performance and sets high standards.

of "unsatisfactory", likely to narrow down his opinion and more closely seek a description of that employee concerning that one quality. This is again evidence of the attempt that is made to standardize thinking in rating terms so that when a man is considered excellent in the Fluorescent Lamp Plant of Mr. Callahan, he is still a notch below the very best rating which is "superior". I have been accustomed in my thinking to rate a man of superior qualities with the word, excellent, whereas in the Callahan analysis excellent is next to the top, and "superior" is the highest compliment he can pay a man. This example illustrates the need of a definition of each unit of measurement.

The rating forms should be constantly passed upon by a rating committee which is not concerned with the rating of employees themselves, but rather may be termed a Policy Making and Guidance Committee and their function is to observe these forms periodically, at least once in every three months to catch "halo effects" or obvious discrepancies in the material to date. A Guidance Committee then can suggest alternate methods of rating and new qualities to be selected and comparisons to be made with other companies using slightly different techniques or different type forms. This committee might well be composed of the Training Director, the Chief Industrial Engineer and a representative from

operating management, such as the manufacturing superintendent, and the personnel director. These individuals are all greatly concerned with the employees' reaction to merit rating and the good it will yield to the management of the business, but they are not so close to the program as the individual doing the rating and therefore are in an excellent position to offer constructive criticism to the program. In his book entitled "Industrial Psychology", Joseph Tiffin[2] suggests having the order of the factors switched first one way and then the other so that the rater will have to proceed a little more slowly in reading over the form and cannot just run down the "good" column or the "satisfactory" column checking off every quality in his haste to get through the form and consequently failing to give the employee the consideration he should receive.

2. WEIGHTING THE TRAITS

After making up the rating form so that it contains those traits or factors upon which information is desired, most companies then undertake to weight the various factors according to the importance they feel they are in their particular company or type of industry. For instance, in a gasoline storage company, safety might be a very nec-

2. Tiffin, Joseph, "Industrial Psychology", Industrial Merit Rating, p. 239, Prentice-Hall, New York, 1944.

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3. Tiffin, Joseph. "Industrial Psychology", Industrial Merit Rating. p. 339. Prentice-Hall. New York, 1944.

essary quality for an employee to possess, as compared with cooperation, the reason being that each employee works alone most of the time, but the safety of the entire installation as well as the jobs of all those employed by the gasoline company rests upon anyone who is near the huge gasoline tanks. This is also true in the case of truck drivers who deliver the hydrogen and oxygen tanks for the Air Reduction Company. The explosive possibilities of a tank of hydrogen if carelessly handled are very great and it's entirely up to the driver of the truck to maneuver his truck safely through crowded streets to the plant, keeping foremost in mind that one slip will not only kill himself, but also any person near his truck. In contrast to a truck driver who must be extremely cautious of safety rules, we might have a salesman of haberdashery in a department store who has very little need of safety rules in his daily work, but who must have a pleasing personality, a friendly cooperative temperament, immaculate appearance and grooming, as his value to the company is entirely dependent upon his personality and appearance.

In a large company, it is dangerous to weigh heavily certain factors, in favor of some particular branch of the company, as this will possibly be unfair to other divisions, and there will not be

sufficient explanation on the form to indicate why such a weighting was given. When someone might endeavor to interpret the forms with respect to the value of the company over a long period of time, we would quickly realize the futility of earlier weightings and find it necessary to reweigh the data. Such was the case recently in a large electronics manufacturing organization that sought to use the rating information for post-war production purposes. A case may well arise in which an individual is transferring from one department to another due to good work and ambition, but that the weighing of the factors of the qualities in his new department could be quite different from that of the one he recently left. In a study of this man's rating forms, it would not be fair to consider the total of the weighted traits without closely reviewing the entire merit rating form so as to determine his strength and weaknesses. It is dangerous to rely on weighting totals entirely due to the opinion of some one department head who might have too much to say about relative weights. Any thorough study of a man's past performance with the company should go deeper than just a summary of his weighted score and should include an analysis of all his past merit rating forms.

To go the other extreme, and weigh all factors

evenly, is to say, in effect, that all positions are of equal importance, and overlooks specifically the needs of the job itself. Thus a production supervisor, known also as a foreman or leadingman in some industries, is rated according to factors of even weight, the same as a research engineer who may possibly work for months without contact with more than two or four people. It would be grossly unfair to weigh evenly the qualities of two men in such totally unrelated jobs as a foreman and a research engineer. The first individual is constantly dealing with people above and below him in rank in the company as well as with union stewards, and his close contacts require him to be an individual with tact, quick thinking, cooperativeness, and reliability, for his work is of an immediate nature. He is dealing with every-day problems which make the wheels go round. The research engineer deals with very few people, is likely to spend a considerable amount of his time almost isolated from the daily plant operations and his mental requirements are vastly different from those of a foreman. Thus it would be unfair to rate these two men according to factors of even weight.

The solution to this problem is not easy, as it is an enormous task to correlate data and reweigh them when some need arises, but I feel that the weighting must be with respect to the job that the employee is

performing at present. This will permit interested parties to survey a man's rating as a member of a particular department, and then see how he stands as a candidate for some other position. For all normal purposes these data will be of interest to the employee and his direct superior, as a measure of his progress within that section of the company.

If an organization should desire to maintain a dual system of ratings, this could be done by having the original of a merit rating form concern itself with the present job of the employee and a carbon copy be studied and computed with respect to the company as a whole. Thus, for instance, a clerk in the production control department might be a fairly important cog in his department, but without growth potentialities and likely to remain a clerk for some time. As far as the department is concerned, he is a valuable individual, but in the company as a whole he occupies a very limited position.

3. POOLING RELIABLE WITH UNRELIABLE INFORMATION

It is the custom in some companies to have several raters report on one person. Sometimes three or four supervisors will be asked to fill out rating forms for a single individual, in the interest of greater accuracy. This use of combined raters is because of the reliability of pooled ratings, and is based on the premise that all

the raters know the subject sufficiently well to serve in this capacity. In many cases it will not be difficult to find supervisors who are properly qualified by frequent contact with the individual to fill out the forms for an accurate appraisal. The danger is when this practice is over-extended and cases arise where not more than one of the raters really knows the employee. This is the time for the other raters to withdraw from participation and acknowledge their inability to do justice on this man's rating forms.

When it is customary to have on the rating committee, the employee's supervisor, and his supervisor's supervisor, and a member of the personnel department, cases might easily arise where one of the latter two would be quite unfamiliar with the person under consideration, and have little or nothing on which to base his opinion. It is easily conceivable that an erroneous poor impression might have been created by some isolated incident, which has no bearing to the normal habits of the individual, but which had remained lodged in the mind of one of the raters. The result might be a rating turned in that was so unfair to the employee that it changed the final analysis drastically.

The solution to the problem of unreliable ratings is to have only raters who are familiar with the individual participate, and to have some supporting data included

in the form to indicate how well the rater knows this person, as well as under what circumstances their association has taken place. This would protect the rater as well as the rated, especially when the form might be the subject of critical analysis when brought before an appeal committee, or a labor-management group. If the opinions of a rater are based on flimsy evidence, hearsay, or casual association, they are likely to be severely challenged, and the ensuing embarrassment cause extreme damage to the entire program. It would be far better to proceed with only one rater to each employee, and that individual to be the immediate supervisor only, so that any inaccuracies would be wholly between these two people before an appeal board, and not be concerned with supervisors once or twice removed.

Pooling of ratings has much to be said in its favor, especially when it is justice to the employee that is most desired, but it cannot be made a general practice.

The suggestion by Stevens and Wonderlic[3] in their article is to have the supervisor rate all his men on one trait. This method would cause the rater to think of all his men with regard to just one trait in the manner

3. Stevens, S. C. and Wonderlic, E. F., An Effective Revision of the Rating Technique, "Personnel Journal", Vol. 13, No. 3, 1934.

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somewhat similar to the Man-toMan Scale that the Army used in the First World War. It is unlikely that all would be rated highly or poorly, as such an error would be too obvious.

I favor the technique recommended by Tiffin[4] because I believe also it is better to consider only one man at a time, going carefully over every factor on the rating chart, concentrating on him alone. The lay-out of the form will include alternating the degree of attainment column, so as to encourage more deliberation on each factor.

Regardless, however, of the technique used, the halo effect can still be there if the raters are not continually cautioned to watch for this discrepancy, and their reports scrutinized. Education and counselling can reduce this effect to a minimum, simply by being on the lookout for it, and acting promptly.

4. MIDDLE-OF-THE-ROAD TENDENCY

A "middle-of-the-road" tendency may be explained as the natural tendency of an individual who is not well informed concerning the person he is attempting to rate, to be lenient and adopt a "middle-of-the-road" attitude. It is common for people to refrain from being

4. Ibid #3

severe in marking unless they are definitely sure of their opinion, and the result may be that every time they come to a difficult decision they lose the courage necessary to rate properly, and instead just mark off "average" or "fair". This can be worked the other way also and prevent some employees from getting proper recognition, although it is not so likely, as it is easier to defend a high mark, than face the bitterness a low mark usually arouses.

To discover the existence of a middle-of-the-road tendency on the part of a rater, it is necessary to observe the efforts of each rater separately. This should be done by some designated member of the Personnel Department acting as a Coordinator for the Rating Committee. The same time the Coordinator reviews rating forms for middle-of-the-road tendencies, he will also be on the lookout for any halo effects. His next step is to go over the forms with the raters and adopt corrective measures that will eliminate these faults without the employees becoming aware of early failings.

When a Merit Rating Program is installed in a plant and a group of supervisors assemble for instructions on how to become raters, it is only natural to expect some of them to be timid about rating men who have been their associates for possibly a long period of time. The new raters will be cautious because they

themselves are still inexperienced with the program, and need to be brought along step by step. The introduction of the program into the organization should be unhurried and well documented as this is a period for slow but decisive procedure. It may be necessary to examine the raters quite frequently as they go through their departments counselling them on every form to be sure they are solidly behind each rating they have made. If it is easily seen that certain tendencies are becoming apparent, then the entire rating group can get together and thrash the problem out. The other extreme from having a rater not sure of himself is to have a highly opinionated individual on the rating staff who should, of course, be eliminated. It is more common though for men to take this middle-of-the-road attitude if they are conscientious in their work, than to have men of fixed opinions, likely to become belligerent in defending their merit rating decisions. Any individual who has preconceived ideas about his fellow workers is very likely to stand out because of the difficulties in which he becomes embroiled, and that is certainly not the type of individual to have on a rating staff. Rigid adherence to the counselling and rules offered at the start of the program and careful understanding of each factor and its degrees, as well as close personal guidance will cure a middle-of-the-road tendency.

5. DEPARTMENTAL DIFFERENCES

It is to be expected that when the results of one department are compared with those of another, there is likely to be considerable spread between the average of one group, to that of another. This can be caused by either distinct differences in the merits of the groups, or differences in the standards as construed by the raters who have surveyed each department.

In the first case, that of wide differences in the job behavior, a quick investigation will probably show this to be true, and several spot checks would tend to turn up the evidence upon which this assertion is made. In the second case, however, it is necessary to review all the ratings for each department, in order to discover how they reach the final answer. The ratings of one department may seem quite low when compared with those of another section of the company, which is supposed to possess the best minds in the company, such as the developmental section. Arranging the data of each department separately, the investigator might find common groupings of its manpower ranging from a few who were poor, a majority who were good, and a few who were superior, yet the entire group as a body might be noticeably lower than some other group which was composed of highly-educated men who might be expected to be superior.

It is absolutely necessary to review ratings with respect to sections of the company, departments, and also jobs so that the rating policy and guidance committee can be properly informed in the various reports submitted to it during the year. Differences may exist between men in certain sections of the company, and over-all departmental rating might be considerably lower than that of a number of other departments. This should not be too pronounced if the rater keeps in mind the principles of job evaluation and remembers that he is not rating the men for the jobs they are working at, but is rating the men themselves and how well they do their jobs. A department composed largely of freight handlers and shipping clerks may be doing their particular assignment far better than a purchasing department which may find itself in a rather serious predicament due to inability of individuals to cooperate and exercise common sense. In the former, most of the men do what they are told and are quite closely supervised, whereas in the latter, the men have considerable latitude in purchasing and are supposed to exercise thorough care and foresight.

6. FAILURE TO ALLOW FOR AGE.

One of the difficulties encountered frequently when a merit rating plan is installed, is that of the failure to allow for age and to penalize, unknowingly, perhaps,

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6. FAILURE TO ALLOW NOW AND.

One of the difficulties encountered frequently when
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the older men in an organization. It has been continually revealed that the most favorable age for getting good ratings is the thirties.

An incandescent lamp plant recently completed a rating project, and among the final data submitted was a computation based on the ages of the men, a good many of whom were long-experienced with this particular firm. An analysis of the groupings, by age, showed very few young men in the "doubtful" column, but nearly all the really "old" employees. This may have been caused by the heavy weighting given to a factor entitled "Potentiality", but I don't think that is the complete answer. I think that it is only natural for a rater to be severe, whether he can help it or not, towards veteran workers if he himself is quite young.

To be fair, the rater has probably got to go over his ratings, before he submits them to the Personnel Office and regard them exclusively from the angle of age. He must see how the group ranges when he has only age to consider, and if there is an obvious one-sidedness to his analysis. It may also be that a company has a compulsory retirement age, say at 60 or 65, and as an employee nears this particular age, the rater may unwittingly feel sympathetic and not wish to hurt the employee's chances of securing a pension. This characteristic of discriminating against older people is likely

to go to a certain point, such as to people within five years of retirement age, and from then on soften up somewhat in an effort to aid an employee get by the last few years.

It would be wise for the guidance committee of the merit rating plan to look carefully at the raters with respect to their ages and to the physical energy they might possess so that they can carefully examine the finished rating forms of a rater who possesses considerable drive and enthusiasm and might naturally expect others to have those qualities. An employee in his fifties is likely to settle down with maturity and not have the action or alertness of a younger man, and this would not, in any way, affect his work negatively.

7. LENGTH OF SERVICE FACTOR

A study of the relationships between merit rating and length of service has shown that a lower merit rating is commonly given to employees who have remained any length of time on one assignment. The assumption here seems to be that the employees who are ineligible for transfer to some other responsible position are those who remain at one assignment. When an employee remains on one specific job, a rater unconsciously tends to mark him lower for this factor, regardless of the explanation which lies behind this long tenure.

Employees with long service in one particular spot, are in general, the older employees of an organization, and as I mention in Point #6, "Failure to Allow for Age", they are likely to be discriminated against because of their age.

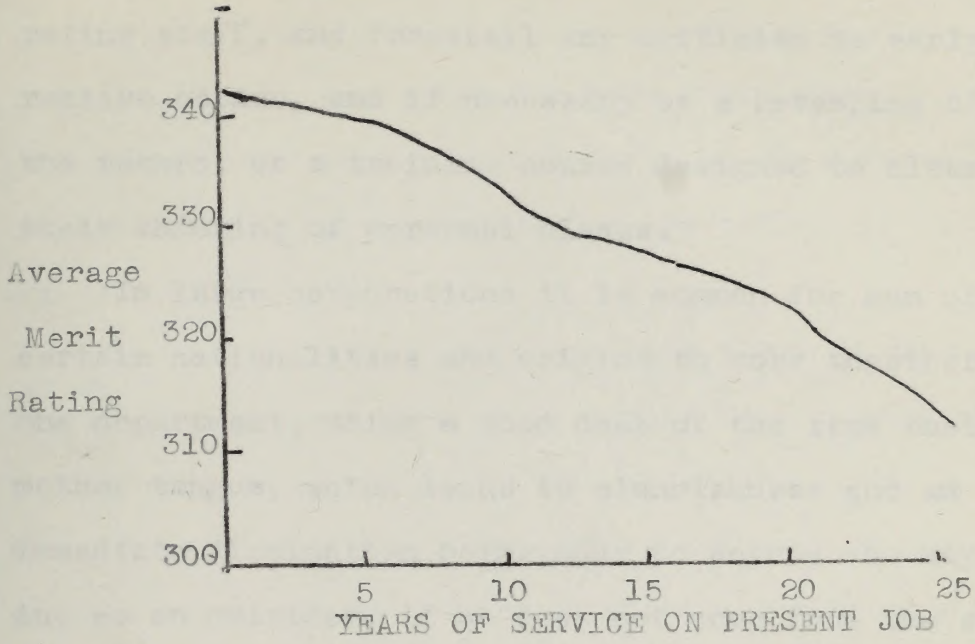
It is necessary, in order to combat the length of service factor, for a rater to carefully interpret ratings in the light of years of employment, so as to be sure there is no unfairness because of the length of assignment or the age of the employee. In the graph on the following page, submitted by Joseph Tiffin,[5] the relationship between merit rating and total service in an organization is plainly shown in the loss in merit rating points to employees with 15 to 20 years' service.

8. PREJUDICE AND BIAS

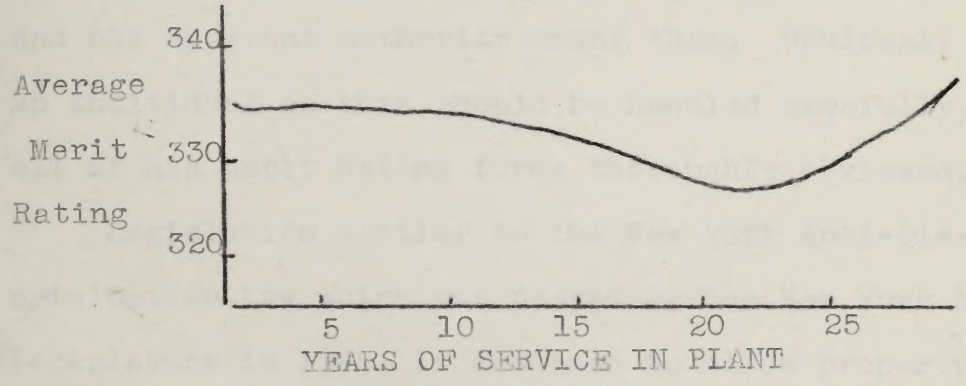
It is unfortunate, but true, that all too frequently a report will be turned in that does not seem correct in the light of the normal known habits of the worker. A careful appraisal may reveal that the rater has definite bias toward fellow workers of certain ancestry, faith, or color, and that he so influences his rating forms.

At the present time, when so much emphasis is being

5. Ibid #3, p. 259.

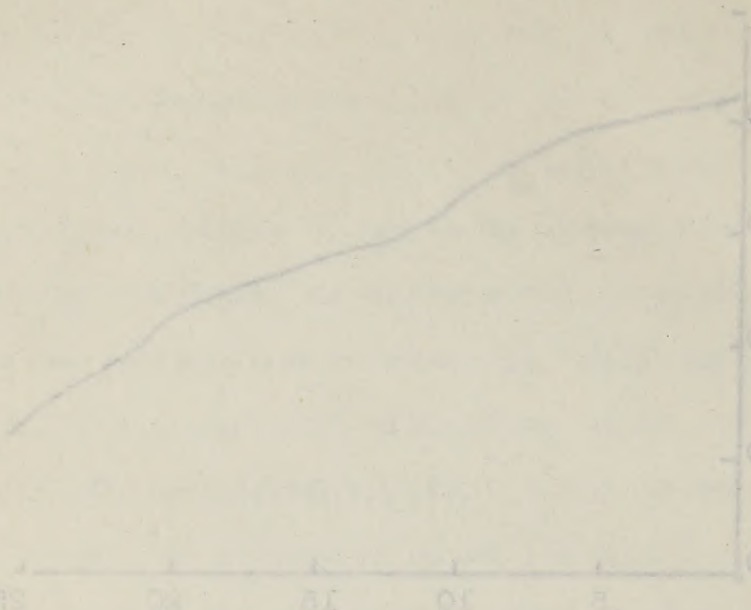


Relations between years of service on present job and average merit rating for 9000 steel workers.



Relation between years of plant service and average merit rating for 9000 steel workers.

Tiffin, Joseph, "Industrial Psychology"
p. 259-260



placed upon fairness and fair employment practices, it is good business practice to observe one's own rating staff, and forestall any criticism by early corrective action, and if necessary by a revamping of the raters, or a training course designed to clear their thinking of personal biases.

In large corporations it is common for men of certain nationalities and origins to work together in one department, using a good deal of the time their mother tongue, which leads to clannishness and an immediate distinction being made to anyone who may come in, as an outsider, if he does not come from the same racial stock. To facilitate Management's problem in handling particular groups of this type, one of the same national background may be placed in charge because of his ability to speak their native tongue and his apparent authority among them. Obviously such an individual as this should be handled carefully, and all of his Merit Rating forms thoroughly reviewed.

Legislation similar to the New York Anti-Discrimination Law which was passed by the New York State Legislature in 1945, is designed to allow proper redress to individuals persecuted by discrimination in their employment. It is obviously necessary for every organization that comes under such a statute to educate their supervisory staff in handling people, so that

unfortunate publicity concerning some violation will not injure the company's good name. However, legislation alone will never completely eliminate discrimination of this type, and the Personnel Director can do a great deal more in straightening out a biased individual by proper counsel than by citing statutes and penalties.

Frequently male supervisors are found to be unfairly favoring or criticising their female employees, due to some deep-rooted feeling about the place of women in industry or to lack of training in their earlier work history. Because so many large organizations now employ women in such vast numbers, it is particularly desirable to check the attitude of male supervisors and be sure that strict but honest discipline is maintained.

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CHAPTER V

MERIT RATING IN THE ARMY AND NAVY

SECTION 1.-ARMY

In World War II, as in World War I, there arose under pressing conditions, an immediate need at the start to revise the rating scales in use by the armed services. In the First World War under General Orders 46 and 85, issued by the War Department in 1918, all officers below the rank of Brigadier General were rated according to the Officers Rating Scale, and just prior to separation each officer would be given final rating. The Officers Rating Scale in both the Army and the Navy remained largely unchanged up to the start of World War II.

One of the outstanding characteristics about the Officers Rating Scale of World War I, was that it placed considerable emphasis upon the method which is commonly known as the "Man to Man" Rating Scale. This system requests the rating officer to consider all of the men he intends to rate, and then take one quality at a time and rate all of his men on that quality. This particular approach to a rating system has been almost completely discontinued in the services in favor of rating each man by himself on various qualities.

At the present time, Army Regulation No. 600-185 of

the War Department, October 13, 1942, is the latest guide for personnel rating, and is used in conjunction with efficiency reports which

> "will be rendered on each officer, other than general officers, by his immediate superior on 30 June and 31 December of each year."[1]

It is particularly interesting to note, and I think this could well be copied by private industry, that the Army feels that it is perfectly acceptable to draw up an efficiency report on any officer of any grade if his service is particularly distinguishable or the opposite. Also, that each time an officer completes a schooling period an efficiency report, or a special school report should be submitted by the officer's immediate military superior. It is the custom of one of the country's largest merchandising corporations[2] to render reports of this nature on employees in a like manner; having immediate superiors institute the rating form when something of unusual merit or poor quality has been performed.

Reports of this type will yield not only data for the specified periods of the year when employees expect to be rated, but also at a time of special achievements

1. AR 600-185, War Department, p.2, Section I, PERSONNEL November 15, 1944.

2. Sears Roebuck and Company, Chicago, Illinois, 1946.

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1. AR600-10B, War Department, p.2, Section I, PERSONNEL November 15, 1944.

2. Sears Roebuck and Company, Chicago, Illinois, 1944.

or poor quality work, thus giving a more complete picture of the employee's work history.

In its instruction manual officers are instructed to understand the terms used in the report and there is presented a very clear description of each term used, in the Adjectival Rating. Actually to quote the instruction given to the rating officer when he is considering rating another officer on Physical Activity;

> "In an estimate of physical activity, the ability to work rapidly should be considered; however, hustle and bustle, which result in confusion, should not be considered as the ability to work rapidly. Rather, under this heading should be indicated the degree to which an officer has been efficiently active, energetic, and quick. In the consideration of an individual's physical endurance or capacity for prolonged exertion, the reporting officer must not be misled into thinking that an officer has little endurance because he is not frequently seen indulging in strenuous activity to the point of near-exhaustion. The less noticeable, more self-contained individual might well be the one to stand up longer through a succession of trying, hard days. It must be borne in mind also that many duties are not a proper test of an officer's physical endurance and the rating "unknown" should be used in these cases. Obviously, the amount of physical exertion demanded of an administrative officer is less than that required of an officer in combat; however, this does not necessarily mean that the administrative officer is not capable of greater physical endurance. If an officer has had a severe illness or has undergone a recent operation and there is any question as to his condition, let it be determined by a medical board."[3]

3. AR 600-185, War Department, p.8, Section 2, PERSONNEL November 15, 1944.

It is of particular note that the final sentence requests the rating officer to pass on to the proper individuals the rating on this quality if there is any question in his mind of the man's status of health.

It was the common opinion of many Army officers with whom I discussed their contacts with efficiency reports, that one of the greatest fears is that the rating officer will turn in a rating when he has had little or no opportunity to observe the officer at his work. If an officer admits a lack of familiarity with the daily work of his subordinate, it would appear on the surface as though this was inefficiency on his part, whereas this may or may not be true, and can work adversely on a rating form. There are five break-downs on the section of the efficiency report concerned with the quality of an officer. They range accordingly,

a. unsatisfactory
b. satisfactory
c. very satisfactory
d. excellent
e. superior.

It is in the interest of better defining borderline cases that numerical ratings are assigned to the categories very satisfactory, excellent and superior.

It was gratifying to learn that the Army particularly emphasizes the point that junior officers should have their deficiencies pointed out to them, so that they may be able to correct their failings in time for later promotion and

that all efficiency reports are reviewed by the next higher officer beyond the superior who made the report.

The outstanding criticism which I found to be levelled against the efficiency report was that most officers did not feel, in spite of a short training period on how to use efficiency reports, that they were properly qualified to render this type of report and that also they frequently felt, due to shifts in the ranks below them they did not have sufficient time in which to judge their men. However, I did feel that it was important that most officers felt that these reports were better than no report at all, and that they had sufficient faith in this method of rating to want to have it continued. In answer to the direct question, "Do you favor efficiency reports in business-life?", the answer was usually an unqualified "yes".

The Efficiency Report Form[4] used by the Army is quite compact and covers the necessary essentials, such as the stations at which the officer has served and his duty assignments, the rating officer's attitude toward him with respect to daily association, a brief comment on how frequently and under what conditions he has given his opinion of his intimate and daily contact

4. War Department, Adjutant-Generals' Office, Form 67, September 27, 1944.

4. War Department, Adjutant-General's Office, Form 67, September 27, 1944.

or academic period. In Section G of the Efficiency Report entitled "What degree of success has he attained under the following?" there are ten questions listed with a five-way breakdown for each as well as a space where the rating officer may confess that his opinion on this quality is unknown. The following ten points I feel are all inclusive and are the heart of the form.

"1. Physical Activity and Endurance
2. Stability Under Pressure
3. Attention to Duty
4. Cooperation
5. Initiative
6. Intelligence
7. Force
8. Judgment and Common Sense
9. Leadership
10. Ability to Obtain Results"

Two other sections of value on the form are the sections inserted for listing outstanding value in service and a liberal space allotment for remarks.

SECTION 2.-NAVY

At the present time, the U. S. Navy is using as an aid in classification and assignment of its officer personnel a report entitled "Officer's Fitness Report"[1] which has been designed after a careful study[2] in the field of occupational analysis through the combined efforts of Navy representatives, job analysis specialists of the U. S. Employment Service, the National Roster of Scientific and Specialized Personnel and the U. S. Civil Service Commission. The Navy uses an occupational classification code applied by its interviewing officers of the Bureau of Naval Personnel, to assist them in properly assigning officer material according to aptitudes and capabilities. Utilization by the Navy, to the best of its ability, of the skills that entering officers bring with them from civilian life is the first major step of the Bureau of Personnel, commonly known among Navy men as "BuPers". Through a testing procedure which endeavors to measure intellectual potentialities, an officer candidate is started on his Naval career and the Navy seeks thereafter in its rating to utilize experience and training as well as subjective qualities in promoting its officer

1. NavPers-310-A (Rev. 8-44).

2. U. S. Navy Public Personnel Review of the Civil Service Assembly of the U. S. and Canada, Oct., 1943.

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1. NavPers-510-A (Rev. 8-44).

2. U. S. Navy Public Personnel Review of the Civil Service Assembly of the U. S. and Canada, Oct., 1942.

material. In the "Officer's Fitness Report"[3] there are twelve sections, of which the seventh section has to do with the following five rating factors.

"A. Sea or Advance Base Duty
B. Initiative and Responsibility
C. Understanding and Skill
D. Leadership
E. Conduct and Work Habits "

It is to be noted that in the above five rating factors, there are nineteen questions to be answered concerning these factors.

The Navy uses a system of rating more similar to the World War I system of the Army known as the "man to man"[4] Rating Scale than the Army Efficiency Report now used, in rating the man on his ability. The Officer's Fitness Report is submitted semi-annually for all officers and similar to the Army, at a time of detachment. The Fitness Report has several copies, the first of which goes to the Bureau of Personnel and covers the officer's previous experience and qualifications for various types of duties. The second copy remains with his commanding officer and is used to aid in proper assignment while under his particular commanding officer.

The common method of promotion during the War for

3. NavPers-310-A (Rev. 8-44)

4. Ibid, p. 81, #4

Naval officers of the rank of Ensign, Lieutenant, junior grade, and Lieutenant, senior grade, has been through the publication of what is known as an "AllNav". This is a Bureau of Personnel announcement which states that all officers who joined the Navy at a certain time, for example, October 1st through the 30th, 1942, are now advanced one rank. Ranks above Lieutenant, senior grade, require the approval of a selection board which considers the Fitness Report as well as any other pertinent data on file about the officer in this rank. In the case of Ensigns and Lieutenants, promotion is automatic unless there is an unsatisfactory notation against the officer on file by his commanding officer as recorded in the Fitness Report, in which case promotion can be denied. If a man has a black mark against him by his commanding officer it is common practice for him to immediately put in for a transfer out from under this particular officer.[5]

The Navy also recommends, although regulations require only unsatisfactory or unfavorable reports to be referred to the officer concerned, that the reporting officers discuss all their final reports with the officer concerned.

The frank discussion of the results of the Rating Officer's Fitness Report with the officer reported on

5. Officer Fitness Report Instruction Sheet

is an onerous and unwelcome task, and very likely to require a considerable amount of time if a helpful attitude is to be maintained. It is not easy to sit down briefly with an officer and discuss the results of a lengthy Fitness Report. Interviews concerning this report will undoubtedly consume a considerable length of time which the officer will have to find if he wants to do his job properly.

At the present time there is no concise guide published by the Navy for assisting a rating officer in filling out the Fitness Report such as the Army issues for completing its Efficiency Report.

CHAPTER VI

SELECTION OF THE RATER

With surprisingly little practice, the average individual who is interested in rating people, can devise a rating plan that will be worth a tryout, and will find that constant practice quickly removes the "kinks". The problem is not that of how to construct a plan, so much as it is as to who will use it, and will he properly answer all questions. Training the raters is certainly important enough, but first the problem is to select the correct employees to do the rating.

Before the education of the future raters is undertaken, it is paramount that a well-rounded committee stand behind the entire program. This would include a representative from the shop, someone from production supervision, someone from the Methods Department, and certainly a well-selected individual from top management. The last-named individual must be a recognized impartial sort of person in whom all employees have faith, and with whom they can freely discuss any and all types of problems as they arise. Frequently problems will arise that cannot or should not be handled summarily or lightly waved aside, and this will necessitate a real "talking-over" with executives who are perhaps accustomed

to dealing with their problems quickly and without question. Mary Harper Wortham[1] calls the group which sponsors a rating program a "Guiding Committee" and she feels it will, if well organized, have little else to do but select the raters and listen to protested cases as an appeal board.

According to U. S. Army regulations[2] every officer other than a general officer will have an efficiency report filed concerning him twice a year with the Adjutant General. These reports will cover a six month period, except when rendered because of unusual service, or the completion of a term at school. The Army designates that the report will be filed by the immediate superior, or the school commandant.

In an analysis made by the National Industrial Conference Board[3] into Periodic Personnel Reviews, it was found that in 76% of the cases where Personnel Reviews were in practice, it was customary either to have the immediate superior do the review, or have him on the

1. Wortham, Mary Harper, "Rating of Supervisors", Bulletin No. 11, Industrial Relations Section of the California Institute of Technology, 1942.

2. Army Regulations No. 600-185, War Department, Washington, 25, D. C., 15 November, 1944, p.2.

3. National Industrial Conference Board, 247 Park Ave., New York City, N.Y., "The Management Almanac, 1946", p. 233.

Review Board. This immediate superior is commonly the department head or foreman. In 40% of the plants replying it was discovered that the Personnel Director also is on the Review Board.

I firmly believe the practice of having the Personnel Director do the writing on the forms is all wrong, yet this is the way The Namm Store, a large department store in Brooklyn, New York[4] fills out their rating forms, which incidentally are highly regarded and quite complete. Miss Kate Lewis, of the Employment Department, says that there is greater confidence in this system than when the forms were handed out to all supervisors, and compliance demanded within a certain date.

In contrast to the Namm Store technique, I think that the procedure followed in Lord and Taylor, Inc.,[5] a New York retail establishment, in requiring all supervisors to rate their immediate personnel is not only the more common method of securing ratings, but is by far much more understandable.

The United States Civil Service Commission distinctly emphasizes that the first line supervisor, who is in direct charge of the worker, is the one to initiate the efficiency

5. Lord and Taylor, Inc., New York City, 5th Ave. and 38th Street, Data given by Employment Manager

rating.[6] This is the standard way of submitting efficiency ratings throughout the entire vast Federal Civil Service, and it has demonstrated its success over a long period of time. The only general criticism I wish to give with regard to the Federal or State rating techniques, is that opinion seems nearly universal that raters within the civil service are too lenient, due to lax standards of required performance. I feel that if job specifications and requirements were tightened in government positions, the efficiency rating system would earn a much higher regard from industry.

6. Efficiency Ratings Administration Section, Personnel Classification Division, United States Civil Service Commission, Form 3823, revised, Amended to 15 March, 1944

CHAPTER VII

EDUCATION OF THE RATER

When it has once been determined who within the company shall do the rating, the next important step is to properly educate the rater in the technique or style that is most desirable.

There are available, Personnel Counsellors who are experienced in installing rating programs and in instructing the raters in administering the programs. When Sylvania Electric Products, Inc., Loring Avenue, Salem, Massachusetts undertook a Job Evaluation study, which would precede a Merit Rating Plan installation, the Radio, Machine and Electrical Workers Union, C.I.O., Local No. 290 cooperated in selecting an outside firm to do the work, and paid a portion of the bill. This support had much to do with the success of the plan, and also led to greater harmony in union relations. In Massachusetts it is possible to get assistance from the Department of Education[1] in the form of well-recommended instructors in labor relations who are properly qualified to assist in establishing a program and give instruction on how to do the rating.

Basically the instruction should follow the general

1. Commonwealth of Massachusetts, State House, Boston

pattern of a series of conferences, of definite composition and length, small in size, and thorough in its analysis. It should aim specifically to cover completely the following seven points that are needed to round out the background of every new rater.

1. What is rating? How extensive can it safely go?

2. Why do we have rating? What is its purpose?

3. An explanation of the prepared form. Why does our form differ from that of other companies? Compare the long with the short form, showing representative forms now in use by other concerns.

4. How does one interview correctly? Adapting oneself to various types of people.

5. Past experiences of merit rating plans. The successes and the failures. Explanations of all types.

6. How to interpret the data. Proper correlation of all the reports to get an overall picture. How to utilize the information to its best advantage.

7. How to discuss data with an employee. This is an exceedingly important part in rating plan administration because of the personal conflict that is liable to arise if the rater is indiscreet or lacks ability to counsel properly. It might be wise to have rating data discussed with an employee by only one person, a trained counsellor.

In the report of the National Industrial Conference Board, Inc., entitled "Employee Rating",[2] six methods are suggested in training the raters which I think are all-

2. National Industrial Conference Board, "Studies in Personnel Policy", No. 39, p. 12, 1942

inclusive. They are as follows:

1. Conferences
2. Group instruction
3. Individual instruction
4. Printed material
5. Practice ratings
6. Rating the raters.

1. Conferences, with subjects such as "How to Judge Men" or other titles upon which "every foreman is likely to think he is something of an authority".[3] The enthusiasm of the supervisors to participate in such a discussion can be used as a guide as to the proper time to develop concrete examples and procedures upon which men can be judged. Most supervisors have a certain amount of resistance to any new scheme which involves more "paper-work" and will oppose any plan which is placed before them without due regard for their responsibilities. It may require several conferences to put over the idea soundly, at a time when the supervisors feel they have developed something of value, which might well be incorporated into a formal plan. This would enlist their support as it is something they have brought along and is their own.

2. Group Instruction. When it is not necessary

3. ibid

to use the Conference Method to draw support and initiate a rating program, the plan of assembling supervisors merely to give them sufficient instruction will suffice. These assemblies can be developed to a point where they are inspiring and filled with educational value, able to give the participants broader general outlook and a more alert manner for their future dealings with their subordinates.

3. Individual Instruction. Dale Yoder recommends[4] training raters in groups, and in every organization with whom I discussed training procedures, I was informed that all training was done in small, carefully selected groups, never individually. Of course, the answer to this method is that it is costly to take each person aside and give him or her adequate preparation. The plan would be tied up indefinitely. I will agree to these replies if I thought group instruction was sufficient, but I do not, for I feel that no matter how complete the course may be, there is always a small group of foremen who are too timid to ask questions, and who need individual instruction. Possibly they are not of the proper caliber themselves to be foremen, but that is not our problem. Our need is to make them adequately

4. Yoder, Dale, "Personnel Management and Industrial Relations", p. 357, Prentice-Hall, Inc., New York, 1942.

4. Yoder, Dale, "Personnel Management and Industrial Relations", p. 887, Prentice-Hall, Inc., New York, 1942.

conversant with the needs and techniques of merit rating, to be able to depend on the reports that they submit, and feel confident they can defend their opinions.

A short but complete briefing would be an excellent way to guarantee that each attendant of the course was prepared to start on the program. Those who were not ready could be coached until they were ready, and no one would endanger the whole program at such a critical period.

4. Printed Material. It is customary to collect the various data that have been presented in the instructional courses and bind it into a volume which can be used as a manual. To all this is also added any additional material that may be considered pertinent and helpful, such as rating forms of other companies, aids to interviewing, and magazine articles that cover the subject. All such material is of some assistance, but must not obscure the few basic points that must be kept in mind. Too much assisting data can be more harmful than too little, as the judgment of the rater is probably good to start with, and too much assistance might get him "rattled".

From time to time, different selected pieces can be furnished the raters which can be read and passed around. This is supplementary information, intended to

keep interest alive and abreast of developments. An overdose at the start can spoil the natural enthusiasm which a foreman might have because the whole program to him will start to look "too bookish". I am convinced from my experiences with foremen, production supervisors, and other supervisory personnel, that one of the points to avoid in presenting any new ideas to them on handling personnel, is the appearance that a lot of supplementary reading is needed to administer this program properly. The use of common sense can do the job much better.

A very important point concerning printed material is to have the entire tone and language used as simple as possible, remembering always that the individuals who will be using this manual are accustomed to plain everyday words which they use in dealing with their subordinates, and an attempt to teach them anything but simple direct words might jeopardize their interest by bringing on ridicule.[5] I felt that the training manual used by the Army to instruct officers in training is one of the best. Plain speaking will help rather than hinder the program, because the subject is sure to be controversial and create discussion among the employees, and any unknown terms likely to arouse suspicion.

5. War Department Bulletin No. 600-185.

5. Practice Ratings. Although many concerns which use Merit Rating have a rather complete training program, they frequently are reluctant to permit their raters near the end of the training period to use "practice ratings" as they feel it is too likely to create ill feeling among those persons being rated in the practice group. Insufficient knowledge about one another of course prevents competent rating and inasmuch as we are but human beings, any inaccuracy will arouse our resentment.

As a solution for the use of practice ratings, I suggest selecting some veteran employee, of non-supervisory rank, who is known to all, and who is impervious to criticism. Every organization has several such people and they usually are quite willing to cooperate, because they know themselves to be safely entrenched with seniority rights, and they are now too old to do much about constructive criticism. Practicing rating on one another is good for developing technique, but risky with anyone not "thick-skinned", even though the records are not to be filed away for future use, but immediately destroyed.

6. Rating the Raters. This suggestion is especially valuable as it starts the program off from the top, impressing not only the top supervisors with its

importance and its need for deliberateness, but also installing confidence in the rank and file who see the program in action before it reaches them. If there are any flaws in the form, any obvious failings that could be quickly remedied, it is better to change the forms several times when doing the top supervisors, than to start on the non-supervisory personnel and seem incompetent and uncertain through frequent modifications. Even minor supervisory personnel are quick to criticize a poor start, and their comments will easily reach the sympathetic ears of the rank and file. Here also is an excellent time to caution the raters how to explain their results to the employee, the rater will realize how important it is to be told correctly your weak and also your strong points, using diplomacy where needed, but being able to back up every statement.

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CHAPTER VIII

EFFICIENCY RATINGS IN THE FEDERAL GOVERNMENT

At the present time the United States Civil Service Commission is authorized under Section 13 of the Classification Act of 1923 to apply an efficiency rating system to employees in salaried positions. The Report of Efficiency Rating, which is its official name, is conducted by the Efficiency Rating Administration Section,[1] and is similar in form and content with the average merit rating plan now in use by American industry. There are three kinds of ratings:

1. Regular
2. Probational
3. Special

According to official decree, the Regular ratings are made yearly as of March 31, the Probational ratings are made sixty days prior to the end of an employee's probational period. This data is used to determine whether that employee should be retained, transferred or dismissed from the service.

The Special ratings are made when there is no current official rating on file and a rating is needed to aid

1. Efficiency Rating Administration Section, Personnel Classification Division, United States Civil Service Commission.

in taking official action. A Special rating can not be used to alter a Regular or Probationary rating, or to cause the immediate dismissal or reduction in pay of an employee. Knowledge of these protective rights by the government personnel is one reason why so much faith and support is given to the system. This plan is no quick scheme for ousting someone out of his job, everyone realizes that, and accordingly does not fear it as such.

The rating official, known in private industry as the rater, is the first person in authority who has supervisory responsibilities. To the average civil employee this would mean his department head.

A step removed from the rating official, is the reviewing official, who has personal knowledge of the general performance of the employee to be rated, and who has authority to review or to revise ratings. This individual is in an excellent position to temper any unfair ratings and to adjust a report before it reaches the third and final step within its own particular agency or section.

After approval by the reviewing official, and his personal signature has been added, the report goes to the Efficiency Rating Committee for the particular department or section of the Federal Government. This Committee is usually composed of five members appointed by the Director

of Personnel for that division or agency, and operates in a staff capacity in applying rating standards uniformly to all employees within that division or agency. It has five important responsibilities[2], which are as follows:

1. Performance requirements of the various levels of work to be rated.

2. Training programs for rating and reviewing officials which will establish common understanding of their rating duties and responsibilities.

3. The selection of pertinent and important elements for each kind and level of work.

4. Advice and help on questions of policy and procedure, rating standards, and meanings of terms.

5. Review and approval of ratings. First to see that the rating is the logical result of the marking on the elements, secondly to obtain fairness and justice, if necessary by adjusting ratings. When approval is concluded the rating becomes an official record, and the employee is notified.

When the rating becomes an official record, it is sent to Washington, D. C. to become a part of the civil service personnel history of the employee.

Ratings may be inspected by employees of their fellow workers within their own particular bureau, agency, regional office, or field station. This is a legal right to which they are entitled, as well as being forwarded a copy of their own Report of Efficiency Rating, Standard Form 51,

2. Efficiency Rating Manual, Government Document 3823, Revised March, 1944.

Revised[3], which will tell exactly how they were marked.

The general administration of efficiency rating programs is the responsibility of the Director of Personnel for each government agency, and the head of each agency is required by law to rate the performance of employees in accordance with the uniform efficiency rating system.[4]

It is difficult to get authoritative statements regarding the success of efficiency rating from any government official, as all inquiries are referred to the Chief of the Efficiency Rating Administration Section[5] and he is extremely cautious in his views.

However, it is interesting and not at all difficult to get private views from friends in civil service, which are not to be quoted. The most common criticism is the need for adequately trained rating officials who will be fair. Too many apparently either are too stern or too lenient, depending on the attitude of the reviewing official. Another frequent complaint was that of "office politics" and rank favoritism, which existed throughout

3. Standard Form No. 51, Revised, Report of Efficiency Rating (a condensed version).

4. Section 6 of the Executive Order No. 7916 of June 24, 1938 provides that the Director of Personnel shall supervise the function of Efficiency Rating.

5. John A. Overholt, Chief of the Efficiency Rating Administration Section, Washington, D. C.

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5. Standard Form No. 81, Revised, Report of Efficiency Rating (a condensed version).

6. Section 6 of the Executive Order No. 7916 of June 24, 1938 provides that the Director of Personnel shall supervise the function of Efficiency Rating.

7. John A. Overholt, Chief of the Efficiency Rating Administration Section, Washington, D. C.

the agency.

In general, public employee opinion was completely in favor of the system and belief was common that there was sufficient good to warrant the idea being maintained. There was also strong feeling that this system could be employed much more in private industry, than is now being done.

CHAPTER IX

FREQUENCY OF RATINGS

Merit ratings do not take the place of other types of records which the personnel office is interested in securing concerning its employees. Such information as employment, attendance or medical records (see samples on next page) are personal records and are used along with production records such as safety, spoilage, quality of work and quantity, to build up the personal history of each employee. Most of these records are cumulative, in that a safety record or a production record covers a certain definite period of time. Yet, one of the most important records which can be used in the personal portfolio of an employee is that of job behavior or merit rating. This record is one which many companies will endeavor to create but once a year.

It is true that job behavior records or merit ratings are approximations only. They are the expressions of human judgment of one or two people closely associated with the employee, but as such they will be extremely valuable in such important matters as promotions, wage adjustments and other personnel administration details.

CHAPTER IX

FREQUENCY OF RATINGS

Although it has been found more common[1] to hold rate sessions annually, there is much to be said about the value of holding ratings more frequently. Possibly the ideal time and the one which is becoming more acceptable is once every six months, because six months is adequate to complete the job and allow for sufficient time to note changes in the advancement of an employee. However, in the case of a well-established rating program it is perfectly acceptable to rate every four months and this may be particularly true in retail establishments where the business is so seasonable.

In exceptional cases, such as new employees, and quite commonly in employees who are of doubtful value, ratings should be held on a three-months' basis. Naturally this will give the impression of very close supervision, and in the case of new employees, this is particularly desirable.

An important consideration in the frequency of ratings is determined by who are the raters and how much time must be devoted each week to rating. If the rating program is in the hands of supervision down to monitorial level, there is ample opportunity to pass around the work so that no one person is burdened.

1. National Industrial Conference Board, Inc., "Ideas in Personnel Policy", No. 39, Employees Rating, New York, p. 17.

The type of industry will indicate the need and the time required for filling out the merit rating forms. For instance, in a seasonal manufacturing company, certain times of the year would be unsuited for careful filling out of the rating forms because of the tremendous pressure to get out the work. In other industries which have a fairly steady rate of productiveness, it is comparatively easy to stagger the ratings over an extended period of time, proceeding with them on a patient and thorough basis. This makes the need for tailoring the frequency of rating quite evident according to the type of industry concerned.

In their recent text entitled "Industrial Management", Knowles and Thomson mention the value of rating, particularly when these three conditions take place:[2]

1. Change of position.
2. When some occasion such as transfer, promotion demotion, lay-off or termination suggests desirability.
3. Prior to any change in supervision for supervisors such as transferring supervisors to greater or lesser responsibility.

This suggests they are using merit ratings in close cooperation with wage increases and promotions. This is common procedure, but should not be tied too closely

2. Knowles & Thomson, "Industrial Management", The MacMillan Company, p. 438, 1944.

to wage increases, as merit rating is a personnel practice in itself, and not just a tool for promotion.

When the time arrives for rating the employees, a definite schedule should be set up and adhered to as closely as possible. If done on an interview basis, advance information of the interview should be given to the employees concerned, so that they can be prepared to leave their place of work, and also bring forth any questions or complaints they may care to discuss.

If the date has been set and supervisors have only a moderate amount of employees to be interviewed, it makes the task more welcome and also possible to be fitted into their weekly schedule in the proper times. It is important that the interview should be in a quiet place, unhurried and uninterrupted, necessitating in many organizations, conducting the interview in a room or office some distance from the employee's actual place of work within the company. Of course, time spent going to and from the interview and at the interview is paid for by the company and should not detract from the employee's earnings.

Once the schedules for the interview are set up by the Personnel Department and the merit rating forms have been distributed to the various raters, the Personnel Department should concern itself with the mechanics of

to wage increases, as merit rating is a personnel practice in itself, and not just a tool for protection.

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Once the schedules for the interviews are set up by the Personnel Department and the merit rating forms have been distributed to the various raters, the Personnel Department should concern itself with the mechanics of

running off the interviewing, office space should be provided, sufficient notices should be sent to the proper people, and a close tally maintained of the progress made daily. If the schedule is not kept up, arrangements should be made to bring up the lagging raters to their proper position in the schedule so that by a certain time all ratings will have been turned in, and ready for whatever additional processing may be desired. It is also important to be prepared to take care of the appeals that will naturally be forth-coming from ratings that have been considered unfair. The machinery for holding appeals must be ready to act promptly because one of the most serious set-backs that can occur to the whole program would be to have the appeal procedure trailing hopelessly behind the reviewers. Swift, but sure, justice is the least any employee should expect.

It is only natural for an employee to want to know how he is getting along. This has so much to do with whether he will stay with this particular job, and whether he is happy in that particular type of work, and if periodical review does not take place when expected, a valuable employee is likely to resign, feeling that there is no recommendation forth-coming for his good work. Any dilatory tactics in conducting the interview will easily become confused with evasion or insincerity. A

meeting between a rater and an employee should follow within a comparatively short time after the rating is made, if it was not made in his presence, for the frank discussion of how and why it was made. This is the most important period, from the employee's viewpoint, in the rating program, for it is an opportunity to know how he stands, in a personal interview with his rater.

It is as Ordway Tead says,

> "people require the leader to help them and give them the experience which convinces them that their loyalty to the group is a good thing for them".[3]

This action on the part of the supervisor will not only strengthen the rating program, but will develop his own leadership abilities.

It is the most likely time to pass on to the employees praise or criticism. Subjective approval can be accumulated along with supporting data such as attendance records, punctuality records, production records, and other objective material which are likely to be indisputable, and convince the employee of the sincerity of the interviewer.

If there are weak points to be strengthened, this is a most opportune time for building anew with the employee. A definite period of time can be selected in which the employee can be expected to show improvement and can ex-

3. Tead, Ordway, "The Art of Leadership", Whittlesey House-McGraw Hill Book Company, p. 78.

pect another rating for consideration towards retaining him further. I agree with Mary Harper Wortham when she says "special occasions such as promotions or changes in position may appear to warrant an interim report".[4] Interim reports can be conducted with the same care that the regularly schedules reports are given.

In this frank discussion that the personnel supervisors, the rater, and the employee will have, definite understandings can be reached as to the specific factors that should be improved upon, so that when the employee comes up for review at the next appointed time, ample information will be at hand on which to evaluate him. This type of measurement will do much to strengthen arguments which may come before the Grievance Committee and make solutions easier in what were previously difficult cases.

4. Wortham, Mary Harper, "Rating of Supervisors", Industrial Relations Section, California Institute of Technology, 1944, p. 26.

CHAPTER X

INSTALLATION OF MERIT RATING

It has been commonly said that the greater the part those who carry out any plan have in the making of that plan, the greater are its chances for enduring success. In the field of personnel administration this is particularly true of merit rating programs. This is not alone a question of enlisting support from supervisors and employees, but rather a frontal attack on the broad problem of morale, for as Ordway Tead has said,[1]

> "One of the factors in good morale,...is a sense of being recognized as partners in and not as servants of the group."

This successful recruitment of employees and supervisors is one of the basic reasons why two of the better known plans[2] have enjoyed such eminent popularity, and why it is not surprising to hear a progressive-thinking President of a giant corporation say,

> "When we have learned to do a reasonably good job of evaluating an employee's capacities at the start of his career, we can do a better job of upgrading. I am talking about the development of more opportunities for employees to improve themselves in

1. Tead, Ordway, "Human Nature and Management" p. 175.

2. (1) Kimberly-Clark Corporation, Neenah, Wisconsin
   (2) The Namm Store, Brooklyn, N.Y.

accordance with their own initiative and desires."[3]

Installation methods have ranged from one extreme to the other, from the selection of one individual or consultant, supposedly experienced in this work, to a large committee which undertook in two meetings to present a Merit Rating Plan, but success is likely to be short-lived unless the following four steps are carefully observed.

These steps; (1) Advance study and planning
(2) Supervisory suggestions and approval
(3) Employee suggestions and approval
(4) Try-outs and follow-ups

are fundamental in starting a new program, and are applicable to revising one that has been in operation.

1. Advance Study and Planning

Just as an explorer prepares himself to reach a predetermined goal, so also should a rating committee determine in advance what they want to do with the information they are collecting, and accordingly design a rating form which will give them this type of information. Because so many rating forms are developed to meet individual needs, and are the product of the thought and ideas of those immediately concerned, we

3. Ford, Henry II, President, The Ford Motor Company, From an address at the Annual Meeting of the Society of Automotive Engineers, Detroit, January 9, 1946. "The Challenge of Human Engineering".

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3. Ford, Henry II. President, The Ford Motor Company, From an address at the Annual Meeting of the Society of Automotive Engineers, Detroit, January 9, 1946. "The Challenge of Human Engineering".

have today such noticeable lack of uniformity in forms used.[4] This is not a criticism but a statement of fact due to individual and collective mental effort and discussion which underlies any worthwhile program and contributes substantially to greater understanding of purpose and value.

Without intending to belittle the longer list of purposes of merit ratings given earlier in Chapter III, it is possible to boil down the intentions into two distinct aims

(a) as an aid in training and supervision
(b) as an aid to wise administration by furnishing data for accurate evaluation.

Judging which of the two named intentions (a) or (b) is most important will influence the type of rating form to be composed. The form used by the University of Rochester, College of Arts and Sciences[5] is a good example of (a), and is used in training students, whereas the Efficiency Reports of the U. S. Army (WD AGO Form 67)[6] specifically are intended to be used as stated,

"The information furnished by these reports is of

4. "Industrial Management" by Arthur G. Anderson, M. J. Mandeville, and John M. Anderson. Ronald Press, New York, 1942, p. 327.

5. See form 1, The University of Rochester, College of Arts and Sciences.

6. Army Regulations No. 600-185, Section II, paragraph 8, part b (page 4).

> assistance to proper officials in determining the suitable assignment of an officer; his eligibility, if otherwise legally qualified, for promotion; and in some cases whether or not he should be retained in the service."

When the rating form is to be shown to the employee rated, and each point covered with him, it is important to design the form with a minimum of personal qualities to be rated, and not allow any other employee's name to be placed on the form for comparison.[7] This is done obviously to uphold the confidential aspect and to reduce personal resentment. It does not mean the form should be fearful of being critical though, and it is good construction to permit a space for remarks, to be used in those cases where more should be said than the form calls for.

It is extremely vital to know the particular characteristics and features of the business so as to design a rating form that will conform to the business requirements, and fit into the overall rating program. There may be various groups of employees on special levels for whom individual rating forms may be devised, such as the Sears Roebuck & Company form which is applicable particularly to their operating managers, men in their front-line supervision, of whom they have many

7. See Form 2. Walter Kidde & Company, "Merit Rating Report". p 56 of thesis

hundred.[8] In the retail trade there are usually large groups of employees with duties of a similar nature, such as the buying groups, the sales force, departmental managers and clerical workers. For groups of special types, it is desirable to design rating forms placing emphasis on their distinctive features.

A factor to consider is the spacing of ratings so that they will not interfere with busy periods, such as the seasonal activity of a department store, or the year-end business of certain office groups. A supervisor cannot be expected to use care and deliberateness in administering the rating program when his employees are overwhelmed with work, such as in the usual banking house which experiences a rush period at the end of every month.

Certain types of executive personnel dislike what is commonly called "paperwork" and it is possible to design rating forms which reduce this problem to a minimum, such as the rating sheet used in the Walter Kidde & Company which required only a check in the proper squares.[9] This is a great time-saver when compared with the check-list now in use at the Kimberly-

8. See Form 3. Sears Roebuck & Company, Personnel Rating Sheet

9. See Form 4. Walter Kidde & Company, Merit Rating forms.

Clark Corporation[10] or the standard Naval Fitness report,[11] which because of its semi-legal "air" tends to make any commanding officer cautious.

After the initial period of comparing forms already in use, with their good and bad points as applied to some specific case, it is in order to design several tentative forms. The tentative forms can then be revised with the goal of achieving one good form, possessing only vital information, designed to fit a specific situation. This final form should then be memeographed in sufficient numbers to be passed out to the entire supervisory force for comment. In order to aid in getting cooperation from the supervisory group, it is good practice to attach a short descriptive note to the effect that this is a rough draft only, and their comment is now sought.

2. Supervisory suggestions and approval.

With the results of the advance planning group now ready for scrutiny and suggestions from the entire supervisory force, the second stage is set. Quickly a series of meetings should be planned, embracing not over twenty five people at once so as to insure open and frank dis-

10. See Form 5. Kimberly-Clark Corporation, Neenah, Wisconsin, Check-list.

11. See Form 6. Naval Fitness Report, U.S.N.

cussion. Some authorities such as George D. Halsey, Personnel Officer, Third District, Farm Credit Administration[12] advocate up to forty people per group, but this size does not lend itself to free discussion under the average instructor. In addition, the groups should be composed of people of the same work interests, that is to say, all office supervisors at one session, or production supervisors, or head inspectors. This will encourage discussion in the language and job terms these supervisors are accustomed to use. Their standards of performance are similar, and they are accustomed to think in the same terms.

At the opening meeting with the supervisors the top personnel officer, or if possible the head of the organization should welcome the group and state his belief in the success of the program and the good that will come from using merit rating. Top management should give visable support to these early meetings, by faithful attendance and participation. In large companies, an executive officer to whom the supervisors attending this meeting report should be present, but in smaller organizations the major operating executive should always be present. It is not necessary for the

12. Halsey, George D., "Making and Using Industrial Service Ratings", Harper & Bros., 1944, p. 102.

major operating executive to do more than introduce the subject, outline his support of it and then turn the meeting over to the Personnel Officer who will be in charge of Merit Rating. This individual will then conduct the meeting in an informal question and answer manner for a short period, making sure the preliminary forms are understood and preparing the way for the next meeting which will endeavor to secure supervisor support and contributions. Albert H. Aronson, Chief, State Technical Advisory Service, Social Security Board, has something noteworthy to say about the construction of occupational forms, which will keynote this second meeting.[13]

> "The construction of occupational forms is not a simple process. A personnel officer cannot devise such forms in a swivel chair. There must be realistic analysis of the jobs, showing differences in duties and responsibilities and how these are reflected in different requirements of knowledges, skills, abilities and attitudes. The cooperation of supervisors and workers is essential in this analysis and in the translation of this analysis and in the translation of this analysis into measures of job success."

It should not be necessary to have very many meetings before some satisfactory list of qualities and job segments take shape and are arrayed on the proposed form. These items are then ready for relative weighting as to

13. Aronson, Albert H. "Service Rating Plans" a paper in Readings in Public Personnel Administration, (Civil Service Assembly), 1943.

value to the organization. I do not concur with much that has been written on weighting techniques particularly the authority Samuel D. Marble[14] because I have found suggestions as to relative weights vary so markedly in the opinion of various foremen and supervisors and can cause endless dissension. My opinion is that weights should be assigned by a qualified Personnel Officer, based on his overall observation of the company, and his knowledge of the job under consideration. For example, a quality such as "appearance" could be of minor importance to a foundry-shop foreman as contrasted to an office supervisor. A good source of information when considering relative weights may be found in analyzing job specifications and job evaluation data. This is the method employed by the General Electric Company and has stood up well under several years of operation.

Various attempts to make ratings appear "scientific" have done more harm than good, and cause the average supervisor to view with suspicion the complicated manipulation of weightings which he does not understand. In those organizations where merit rating has been success-

14. Marble, Samuel D., "The Application of Psychophysical Techniques to Employee Service Rating", a report, 1942.

ful, it is common to note that little or no emphasis has been placed on numerical scores.

3. Employee Suggestions and Approval

It has been customary for most rating programs to be installed with little or no employee participation, such as discussion meetings, panel discussions or small employee-committee meetings. This is probably because of the feeling of management that there is no need to attempt to win employee support if the management and the supervisory staff are behind the program, inasmuch as the rating forms will be filled out only by supervisory employees. In organizations that furnish new employee introductory handbooks when they are accepted for employment, it is common practice to mention the type of rating program current which will apply to the new employees. This is probably sufficient introduction for a new employee, but in the installation of a rating program in an organization a step further than this method is advisable. A certain amount of educational salesmanship will do a great deal in enlightening employees as to the benefits and advantages of consistent, periodic rating and tend to aid in the administration of this program. In those organizations where there is union-management administration of merit rating such as Air Associates, Inc., at Teeterboro, N.J.,

each employee is rated quarterly by his foreman, his ship steward and a member of the Personnel Department. As an introduction for new employees the union stewards cooperate in familiarizing new employees with merit rating and the problem of management. It is interesting to know, in the Air Associates contract, that provision is made that the rating system is to be used in job transfers and promotions.

In those organizations where the unions do not have a definite understanding concerning the use of merit rating, it has been found wise to explain beforehand to the union just what is proposed when instructing new or veteran employees regarding merit rating.

It is again my opinion that employees should not be asked to participate in the "weighting" because of wide diversion of opinions regarding relative weights as applied to individual jobs.

4. Try-outs and Follow-ups.

The forms which have been proved and won support of the employees and supervisory groups should now be put in final form and printed. The instructions and suggestions that have come forth in the meetings preceeding this stage should also be incorporated in a descriptive manual which would show the various steps that have taken place in reaching this final stage.

Management then should set the time for the periodic rating and plan accordingly to follow up the results. The first scheduled over-all rating should be established within the next three or four weeks, so as not to lose the impetus that has been developed during this early stage. I disagree with Mary Harper Wortham of the California Institute of Technology, who feels that quarterly rating is too frequent because this is not all uncommon in some organizations and has worked out successfully in programs designed to rate this frequently. In most cases, however, rating two or three times a year is the standard frequency and is more adaptable for equal distribution within the rise and fall of a years' business.

In the initial try-out period, "comment sheets" should be attached to the forms asking for comments from the supervisors which will bring to light any irregularities or difficulties which still exist in spite of the care that has been given to date. This period is still a part of the try-out period, or as it is called in Naval circles, "the shakedown cruise". It should be kept in mind that rating programs are highly flexible tools in personnel administration and as such are subject to consistent revision and improvement. Comments should be welcomed and criticism about such a tool as this are usually quite freely given.

CHAPTER XI

THE UNION ATTITUDE TOWARDS MERIT RATING

It has been difficult to secure from any responsible union official authoritative information on the unions attitude toward merit rating. I would be better off to cite the common opinions union leaders have towards merit rating which resulted from a survey taken among seven unions, four of which were members of the C.I.O. and three in the American Federation of Labor.

The most outstanding case, and one about which the unions are particularly aroused is the War Labor Board decision in the Rane Tool Company case. The decision of the War Labor Board in the Rane Tool Company and the United Electrical, Radio and Machine Workers of America, Local 304 (C.I.O.) case was made public on June 6, 1944 and the following directive selections are pertinent to merit increases:

> (a) The company and the union shall, by negotiation, establish objective standards of performance which shall fairly reflect the efficiency skill, and production requirements (as measured by such factors as quality of output, quantity of production, and attendance) which should be met by employees of various classifications as a condition of their being advanced within the applicable rate ranges.
>
> (b) At periodic intervals to be negotiated by the parties, each employee shall be the subject of consideration by the employer to determine whether or not the employee has satisfied the standards of meritorious performance. If the employer determines that the performance of the employee warrants, a

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(a) The company and the union shall, by negotiation, establish objective standards of performance which shall fairly reflect the efficiency skill, and production requirements (as measured by such factors as quality of output, quantity of production, and attendance) which should be met by employees of various classifications as a condition of their being advanced within the applicable rate ranges.

(b) At periodic intervals to be negotiated by the parties, each employee shall be the subject of consideration by the employer to determine whether or not the employee has satisfied the standards of satisfactions performance. If the employer determines that the performance of the employee warrants, a

merit adjustment in rates shall be accordingly, effective as of the quarterly review date. A list of the employees to whom increases have been granted shall be furnished by the employer to the union. Merit reviews, either of individual employees or of groups of employees, may be agreement of the company and the union, be made at different intervals from these hereby prescribed.

(c) Any claim that the company has exercised discrimination or has improperly measured the em-employee's performance with reference to agreed upon standards may be submitted to the grievance procedure of the contract and, if necessary, to arbitration.

This action of the War Labor Board has been duplicated in other cases, such as that of P. Feiner & Sons, Inc., who appeared before the War Labor Board on June 29, 1945 with the United Construction Workers (United Mine Workers of America), Local 178 (Ind.). The directive in this case was to follow a merit rating schedule very similar to that in the Rane Tool Case.[1]

This action of the War Labor Board is a good indication of union intrusion into an activity that has formerly been that of management's alone. The War Labor Board has definitely given unions the opportunity to participate with management in administering a plan whereby an employee advances from one pay level to another.

I present now the concensus of opinion which I

1. War Labor Reports, Wage & Salary Stabilization, Volume 24, The Bureau of National Affairs, Inc., Washington, D. C., 1945.

secured from my survey with the seven unions. The unions would prefer:

(a) A set rate for a job. (The man who performs the job gets the one and only rate.)

(b) If there is to be a range in the job, the range will be governed by an automatic step increase based on length of service on the job.

The second or (b) is the substance of their feeling toward merit rating progression. They do not want merit rating progression that is based on management's opinions at all, instead they want it based wholly on seniority.

The U. E. Guide which is the standard handbook of organizers in the United Electrical, Radio and Machine Workers of America, C.I.O., regards their feeling of personal rating as follows:[2]

> "Our union members should insist that all such systems be out in the open, and should negotiate procedures whereby employees get the top rate for their grades after a stipulated length of time on the job."

In the recent Twentieth Century Fund Report[3] a parrallel is strongly presented concerning the manner in which the War Labor Board has compromised on merit increases, in the same manner as it did when it designed

2. U. E. Guide to Wage Payment Plans Time Study and Job Evaluation, United Electrical, Radio and Machine Workers of America.

3. William, S. T., Harris, Herbert, "Trends in Collective Bargaining", "A Summary of Recent Experience", 1945.

Maintenance of Membership as a compromise between open and closed shop. Here the solution is that management decides whether or not an employee is entitled to a raise and the steps from then on are participated in by both union and management. Four bulwarks which support this War Labor Board policy are as follows:

1. Joint management-union negotiations set up criteria (skill, diligence, initiative, etc.) which are used to measure the value of an employee's contribution.

2. Definite time intervals between reviews.

3. Union notifications of rate progression.

4. Use of grievance machinery in the case of disagreement or failure to give an increase.

The Rane Formula for periodic merit review of wage rates within ranges has been made effective by the War Labor Board for the following companies:[4]

Eagle Electric Manufacturing Company
Falstrom Company
United States Tool
Bijur Lubrication Company
Sparkman and Stephens
Fada Radio & Electric
Brooklyn Union Gas Company
Bergen Point Iron Works Company
G. F. Richter Manufacturing Company
Cooper Machine & Tool Company
Bennel Machine Company
P. Feiner and Sons, Inc.

On February 27, 1945 the War Labor Board denied

4. Washington Daily Reporter System, No. 243, December 7, 1944, The Bureau of National Affairs, Inc., Washington, D. C.

the request by the C.I.O. for automatic in-grade progression for salaried employees. U. E. represented 6,000 of Westinghouse's 30,000 salaried workers at that time.

On May 20, 1945 the War Labor Board ruled that merit increases with rate ranges for salaried employees of Westinghouse Electric and Manufacturing Company shall be governed by a set of objective standards worked out by the company and the C.I.O., U.E. representatives.

The objective standards were worked out and submitted to the War Labor Board panel -- but U. E. still demanded automatic progression instead of merit increases based on periodical review.[5]

One of the aims of the unions has been to share reviews of merit increases, but the War Labor Board's National Airframe Panel in Glenn L. Martin, Baltimore, vs. C.I.O. United Auto Workers case decided

> "it is the Boards' policy not to order employers to share review of merit increases.....instead to recommend negotiation of objective standards for applying merit increases, and then their complaints about misapplication are subject to grievance machinery."[6]

It is now obvious to management that the unions,

5. P. A. - 8 Case No. 111-8213-D, Washington Daily Reporter System, February 21, 1945, Bureau of National Affairs.

6. Washington Daily Reporter System, February 5, 1945, Bureau of National Affairs, Washington, D. C.

and this will include independent unions, as well as the C.I.O. and the A.F.ofL., will continue their stubborn fight to prevent Merit Progression along the lines of the "Rane Formula". It is part and parcel of their basic beliefs, and they will resist any merit reviews that are not automatic.

In the National Industrial Conference Board Study[7] which involved 94 companies having over 618,000 employees, 17 companies reported that they had agreements with their labor organizations permitting them to rate employees. They also said that a rating plan is helpful in adjusting grievances, particularly those raising questions of ability when seniority provisions are in effect. Apparently there are some unions that do not feel too strongly against rating.

I should like to conclude with an excerpt from Philip Murray's own book, which he wrote with Morris L. Cooke, and which might be good reading for some of the C.I.O. officers.[8]

> "More effective democracy is the mainspring of American progress. This means the adoption of more democratic political techniques--merit systems, short ballots, and so on--but even more

7. Payne, C. E., "Plans for Rating Employees", Studies in Personnel Policy, Bulletin No. 8, National Industrial Conference Board, June, 1938.

8. Cooke, Morris L. and Murray, Philip, "Organized Labor and Production", Harper and Bros. Publishers, New York, 1940.

important is the development in industry of the maximum democracy consistent with effective control. Political democracy cannot grow to full stature under the pressures of industrial autocracy."

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